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Canada Marine and Fisheries Commissioner  
to investigate the Department of  
**INVESTIGATION**

RE

# DEPARTMENT OF MARINE AND FISHERIES

BEFORE THE

## HON. MR. JUSTICE CASSELS

PART V



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1909



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*PRINTED BY ORDER OF PARLIAMENT*



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# INVESTIGATION RE DEPARTMENT OF MARINE AND FISHERIES

RESUMED BEFORE

THE HON. MR. JUSTICE CASSELS

AT HALIFAX, NOVEMBER 28, 1908, 11.10 A.M.

DR. CHAS. MORSE, K.C., NELSON R. BUTCHER & Co.  
Deputy Registrar, Exchequer Court of Canada, (Official Reporters.)  
Secretary.

GEORGE H. WATSON, K.C., and J. L. PERRON, K.C., appear as Counsel assisting in the investigation.

Mr. WATSON.—My lord, we find that the official staff of the department here consists of the following named officers:—First, Mr. J. F. L. Parsons, who is Chief Agent of the department; he was appointed according to the record that we have in August, 1894, and apparently having a salary as such of \$1,600 per annum. The next, my lord, is Mr. A. De B. Tremaine, accountant, who was appointed in August, 1888, with a salary of \$1,200 per annum. He has an assistant accountant, Mr. N. C. Mitchell, who was appointed in July, 1899 with a salary of \$1,000. Then there is Mr. P. C. Johnston, who is light inspector, appointed to his present position in December, 1907, with a salary of \$1,600 per annum; C. A. Travis, the captain of the *Lady Laurier*, appointed to his present position in 1908 with a salary of \$1,000. Mr. J. A. Legere, who is the resident engineer, appointed in June, 1905 with a salary of \$1,800; Mr. C. Thomson, or C. T. Schmidt, who is described in this record as inspector of machinery, appointed in May, 1905 with a salary of \$1,500. Mr. F. McConkey, described as ship's husband, appointed in July, 1905 with a salary of \$1,200.

Of these officers, my lord, we find by records from the department that those who have to do with the recommendation of expenditure are the agent, Mr. Parsons, the accountant, Mr. Tremaine, Mr. Johnston, the inspector of lights, Mr. Travis, the captain of the *Lady Laurier*, Mr. Legere, the resident engineer, Mr. Schmidt and Mr. McConkey, and I may also say that Mr.—

Hon. Mr. CASSELS.—All but Mr. Mitchell?

Mr. WATSON.—All but Mr. Mitchell. I am also informed, my lord, that Mr. Macnamara has to do with special recommendations.

Then as a matter of information and better application of the evidence, I point to the matters of expenditure during the three fiscal years. We find that in the fiscal year 1904-5 the expenditure at this agency amounted to the sum of \$659,326 and in connection with that matter, my lord, dealing with the expenditure for that year, we further point out that the salaries and maintenance items for that year amounted to the sum of \$199,000—practically \$200,000.

Hon. Mr. CASSELS.—Is that out of the \$659,000?

Mr. WATSON.—Yes, my lord, the so-called construction amounts to \$110,000, fisheries \$32,000—I am just taking it in round figures, my lord—fish breeding \$11,000, fish protection service \$81,000, miscellaneous \$79,000—practically \$80,000, and Dominion steamers \$139,000—practically \$140,000.

In this connection I may state just now, my lord, that the steamers attached to this department are the *Aberdeen* and *Lady Laurier*, two steamers. Occasionally

another steamer calls and it may be that occasionally there is a matter of some comparatively small repairs to the calling steamers.

Then in the next financial year, 1905-6, the total expenditure was \$705,000. The agency, so-called that year was \$4,600. The maintenance is separated this year from the salaries, and the maintenance itself is about \$100,000 and the salaries about \$74,000; construction \$61,000;—added to that is construction apparatus \$14,000; fisheries \$49,000; fisheries protection service \$90,000; fish breeding \$33,000; and the item of miscellaneous \$152,000; Dominion steamers for that year \$128,000; making a total of \$705,000.

Then for the following year 1906-7, agency \$3,800—

Hon. Mr. CASSELS.—What is the total for the year?

Mr. WATSON.—\$668,000, my lord. Agency \$3,800, maintenance, so-called, \$121,000; salaries, \$54,000; construction \$50,000; construction apparatus \$103,000; fisheries \$25,000; fisheries protection service \$82,000; fish breeding \$7,800; and the same item again of miscellaneous \$96,000; and Dominion Steamers \$125,000.

That gives your lordship a summary and some details of the expenditure and of the work of the staff in connection with the expenditure and otherwise as necessary for investigation.

I find, my lord, that what is described as the patronage list for the Halifax agency at the present time, or rather in 1907, apparently a new list made up from 1896 to 1907 contains the names of about 175 individuals and firms and contractors. The list prior to 1896 for patronage was limited to the number of about 65. I put that in of record, if your lordship pleases.

(Patronage list marked Exhibit 340.)

We find a great many items in making our summaries, for instance, there are the two ships that I have mentioned, this construction of lighthouses and so on. We find my lord that the item of hardware so described in the accounts during the three years amounts to the sum of \$222,000, lumber about \$25,000 and groceries about \$25,000 and so on through the list. I will be able to hand in the list if your lordship desires.

Of course, for a considerable part those items, as we find from the vouchers and accounts consist of material supplied otherwise than as the result of tender and contract.

Then, my lord, I would like to furnish at the present time some further matters of history for identification purposes, and I would desire Mr. Termaine to step forward for a few minutes.

(Mr. Termaine not being present). Then I would like a member of the firm of Longard Brothers to come forward please.

CLARENCE C. LONGARD, Sworn:

*By Mr. Watson:*

Q. Are you a member of the firm of Longard Brothers?—A. Yes, sir.

Q. And what is your line of business?—A. Oh, I am superintendent of the engineering end of the business.

Q. What?—A. I superintend the engineering end of the business principally.

Q. What is the line of business of the firm?—A. Of the firm? Oh, engineering of different classes, sir, all classes of engineering.

Q. Engineering of different classes?—A. Yes.

Q. How long have you been in the business here, about?—A. Myself or the firm?

Q. The firm. A. About 1812, sir.

Q. The firm?—A. Yes, sir.

Q. That is hearsay you are giving here?—A. No, no. We go back a little beyond that I think sir.

Q. I see. And how long have you yourself been associated directly with the firm?—A. About 28 years.

Q. Let me have your cash book, please?—A. I will have to call upon my book-keeper for that.

Q. Let us have them all please at once. You have a book-keeper?—A. Yes.

Q. What is his name?—A. W. W. Wilson.

Q. How long has he been acting in the capacity of book-keeper?—A. I would judge somewhere about twenty years.

Q. Is there an assistant book-keeper?—A. Well, no, I can't say there is.

Q. You cannot say there is, that is, you are not quite sure?—A. Well, my brother is working with him, see.

Q. I see. What is your brother's first name?—A. John P.

Q. Will you please mention that we wish him here on Monday morning at ten o'clock?—A. Yes.

Q. So he assists in the keeping of the books?—A. Yes, sir.

Q. And who else takes part in the bookkeeping?—A. I don't think anyone else that I know of.

Q. That you know of. Is there any one who would know better than you about what books are kept?—A. The bookkeeper and my brother.

Q. Would know more about the books than you would?—A. I have very little to do with the books.

Q. You have a cash book?—A. Yes, I presume so.

Q. You presume so?—A. Yes, sir.

Q. Do you think there is any doubt about it?—A. No, I don't think there is any doubt.

Q. How many cash books do you think there are?—A. I could not tell you that, not being familiar with the bookkeeping.

Q. You have a ledger?—A. Oh, yes, we have a ledger.

Q. Journal?—A. Yes, sir, journal.

Q. You have other memorandum books?—A. Oh, we have all classes of books, sir. I am not the bookkeeper and not familiar with the bookkeeping and cannot go into details thoroughly with you on that.

Q. Yes. Where is your bank account kept, in what bank?—A. At the Royal Bank.

Q. Any other account?—A. No, no other account.

Q. Just the one account?—A. Just the one business account I know of.

Q. That is the firm account?—A. Yes, sir, the firm account.

Q. Where is your individual bank account?—A. In my pocket.

Q. Where is the bank account kept?—A. I have no bank account.

Q. Where is the bank account of your brother, do you know?—A. I don't know whether he has any or not.

Q. You don't know whether he has any or not. Then you have your bank books here, of course?—A. I presume they are here.

Q. And your cheque books?—A. I presume they are here.

Q. You sign cheques as well as your brother?—A. Sometimes.

Q. Anyone else with authority to sign cheques excepting yourself and your brother?—A. No, no one else.

Q. Limited to those?—A. Only those two.

Q. And you do your business in a systematic way, that is for the purpose of records?—A. Yes, sir, I think we do.

Q. Quite so. One would expect so. Then we have just for the present, two books. This is a cash book, and I observe that this commences the 3rd December, 1901, and the last entry here apparently is the 31st of January, 1907. Have you got an index to this book?—A. You must ask the bookkeeper. I am not familiar with it. I know nothing about it.

The BOOKKEEPER.—No, sir, no index.

(Cash book marked Exhibit 341.)

Q. The next cash book commences the 1st February, 1907. I suppose it goes on to the present time, does it?—A. I presume it does.

Q. November 19th, 1908.

(Second cash book marked Exhibit 342.)

Q. All payments by the firm, expenditure by the firm are entered in the cash book in the regular way?—A. You will have to ask some one else that, I could not tell you. I don't suppose I have ever looked inside that book that I know of.

Q. I see. We will be able to judge for ourselves no doubt whether they do. Then the other books, Mr. Bookkeeper.

The BOOKKEEPER.—The ledger?

Q. Yes. This is not numbered. This commences January 20th, 1904. Mr. Wilson, is there another ledger there?

Mr. WILSON.—No, sir, it goes in there to the present time.

Q. I see, it goes on to the present time.

(Ledger marked Exhibit 343.)

Q. This is a journal commencing July 1st, 1901, running on to May, 1905.

(Marked Exhibit 344.)

Q. And the next one commencing at that date last named and apparently running on to the present time?

(Marked Exhibit 345.)

Q. Then there is another one, the next ledger. This commences where that leaves off?

(Marked Exhibit 346.)

Q. From what you said, Mr. Longard, I assume you are not quite familiar with the entries in the books?—A. Not at all, sir, I hardly ever look inside them.

Q. So you are not able to state whether the entries sufficiently identify the expenditure?—A. I could not identify anything in those books, I do not understand bookkeeping.

Q. Well, it may be necessary to refer to other materials, for the purpose of identification. Then these are two balance books?

(Marked Exhibits 347 and 348.)

Q. Then there is the bank book?

Marked Exhibit 349.)

Q. And how many cheque books—seven cheque books?

(Marked Exhibits 350 a to g.)

Q. You have your cheques?

Mr. WILSON.—I did not bring them over.

Q. You have them in the office?

Mr. WILSON.—Yes, sir.

Q. Kept in proper order and system?

Mr. WILSON.—I got them from the bank. I did not overhaul the cheques.

Q. All right. You, Mr. Longard, are not able to say, personally, whether this covers all matters of record in the business?—A. Not personally.

Q. That will do for the present. You will kindly keep in attendance please.

The following books were also marked:—

Journal beginning July 2nd, 1906. (Exhibit 351.)

Letter book. (Exhibit 352.)

Letter book. (Exhibit 353.)

Mr. WATSON.—Ferguson & Cox, will a member of that firm please come forward.

My lord, it is the first sitting. Of course, it would be unfortunate if the witnesses do not attend promptly. I am quite sure they will as soon as they know the urgency and necessity of prompt attendance. I am quite sure they will all appreciate that your lordship is sitting as in Court.

Hon. Mr. CASSELS.—It must be understood that all witnesses must attend and make all productions. It must be gone through and their absence will cause delay. You might call the list again.

Mr. WATSON.—Yes. Mr. Ferguson, Mr. Cox—that is the firm of Ferguson & Cox—William Robertson & Son—

Mr. W. G. ROBERTSON.—Yes.

WILLIAM G. ROBERTSON, sworn.

*By Mr. Watson:*

Q. Mr. Robertson, you are of the firm of William Robertson & Son?—A. I am.

Q. Is that a partnership or an incorporated company?—A. Partnership.

Q. Who compose the partnership or the firm?—A. My father and myself.

Q. You are the sole partners?—A. We are.

Q. How long have you been in the business yourself?—A. Do you mean as a partner.

Q. Yes?—A. Twelve or thirteen years.

Q. What is your line of business?—A. Hardware, ship chandlery.

Q. Hardware and ship chandlery?—A. Yes.

Q. Just let us have the books, if you please. Who is your bookkeeper?—A. Mr. Stech.

Q. You are personally reasonably familiar with the books?—A. Fairly so, yes, sir.

Q. Have you more than one bookkeeper?—A. No, sir, we have not.

Q. No assistant?—A. Well, there is a young fellow in the office, you would hardly call him an assistant bookkeeper, he has nothing to do with them.

Q. Is there any one else than Mr. Stech who, as bookkeeper, makes entries?—A. In the—

Q. In the books?—A. In the ledgers, do you mean?

Q. In any of the books as a matter of record?—A. No one except myself.

Q. Does Mr. Robertson, senior, take an active part in the business?—A. None whatever.

Q. None at all?—A. No, sir.

Q. You mean to say, although he is interested, the management of the business is entirely in my hands?—A. Entirely in my hands.

Q. To the extent that he does not attend personally or frequent the place?—A. He is not there more than 15 minutes a day, sometimes not at all.

Q. There daily perhaps?—A. No, I would not say he is there daily.

Q. I see. Then you have a manager or some one associated with you in the management?—A. We have what we call our head clerk.

Q. Yes. He is the gentleman I had in mind, I dare say. What is his name?—A. Whiston.

Q. Then who else?—A. We have, I think, about eighteen hands, sir.

Q. Yes. But what I meant was who else that participates in a managerial capacity?—A. His son, Mr. A. K. Whiston.

Q. Yes, his son?—A. Yes, sir.

Q. Have they special duties to perform?—A. Well, it is not a departmental store in any way; every one is supposed to do—

Q. You have, of course, a reasonably accurate system of ordinary bookkeeping?—A. I think so, yes, sir.

Q. Have you the bookkeeper here with the books?—A. He was here a minute ago. The books are in the cab at the door. I suppose he has gone to fetch them. If he has not, he will.

Q. Then have you any special system or separate system of entries in regard to special accounts?—A. I don't quite understand your question, sir.

Q. I mean are there any special accounts kept in connection with the business apart from the bank account?—A. You mean financial account?

Q. Yes?—A. No, sir, none.

Q. None at all?—A. No, sir. That is, if I understand your questions correctly.

Q. Every one is connected in one bank account?—A. Every one is connected in one bank account.

Q. Not any separate or special bank account?—A. No, sir.

Q. Pertaining in any way to the business?—A. No, sir.

Q. In your business who is brought for the most part in direct communication with the Department of Marine and Fisheries for the purpose of receiving orders and supplying goods—one more than another?—A. Myself and Mr. A. K. Whiston.

Q. I see, yourself and Mr. Whiston. Then this morning we want the books. Will you kindly please retire and send some one to urge your bookkeeper to bring the books up?—A. Certainly.

Q. And let us know as soon as you have them here?—A. Yes.

Mr. WATSON.—Is Mr. Tremaine here now?

ARTHUR DE B. TREMAINE, sworn.

*By Mr. Watson:*

Q. Mr. Tremaine, you are the accountant?—A. Yes, sir.

Q. In this branch. And you have been here for some time apparently?—. Yes, sir.

Q. Have you brought with you the books of the department?—A. No, sir, I brought nothing.

Q. You brought nothing?—A. I was not requested to do so, sir.

Q. What books are kept in the department?—A. A ledger, a personal ledger and a general ledger.

Q. A ledger. Just let us go slowly?—A. Yes, sir.

Q. A ledger. Then you say a personal ledger?—A. Yes, sir.

Q. Why do you distinguish, or what is the difference between the ledger and the personal ledger?—A. The general ledger in which all goods that pass through the department, this agency, are entered, and a personal ledger which covers under the separate headings the different firms with which we deal, so that we can at any time tell how much we bought from certain merchants and how much they have done for repairs.

Q. I should think that that would appear in the general ledger?—A. It does, sir.

Q. It is a matter of easier reference and to facilitate?—A. Yes, sir, easier reference and to facilitate.

Q. Well, we will see how that works out. And then what else besides the ledger and that special ledger?—A. Well, for the accounts that go through Ottawa those are the only two.

Q. Yes?—A. Of course, you understand—

Q. Never mind. Please just give an answer to the question. Then what other books besides the ledger and the special ledger?—A. There is a cash book for the petty cash.

Q. A cash book. Then is there any personal cash book?—A. No, sir. The cash book and the ledger for the cash book.

Q. We have got the ledger?—A. That is the separate ledger.

Q. There is another ledger?—A. Yes, sir; that is simply for the petty cash.

Q. How many ledgers are there current?—A. Two.

Q. I thought we would have three?—A. I was going to explain to you—

Q. Never mind, just wait for a moment, I will get the explanation after. We have the general ledger, the special ledger, now we have another ledger, three ledgers?—A. For the petty cash account.

Q. Surely there are not any more ledgers?—A. No, sir.

Q. I see, three ledgers. Then you have a cash book. Do I understand you have a petty cash book in addition to that?—. A cash book and a cheque book, the stubs.

Q. I know. That is quite different?—A. That is all.

Q. A cash book, and what other book?—A. That is all, sir, that is for accounts. Of course, there are correspondence books, but you only mean in reference to accounts. I presume?

Q. Well, I have not limited my question, Mr. Tremaine?—A. All right, sir.

Q. You have the cash book, and then the cheque books, are they there?—A. Yes,

Q. And the cheques?—A. That have been used?

Q. Yes?—A. Yes, sir, mostly there.

Q. What do you mean, mostly there?—A. I wanted to give a little explanation, because the cheques which come through the department from Ottawa, there are certain small bills we pay in Halifax, that is what I refer to, we have not any other cheques except those paid from Halifax.

Q. The cheques you issue. You do not issue other cheques at all?—A. No, sir. But that is a very small portion of the business.

Q. Yes. The greater part of the disbursements practically all are made through this office?—A. Yes, sir.

Q. Made through the office. Then what else have you got?—A. There is the register, the letter register.

Q. Yes?—A. And a tissue book into which we copy the letters that go out, and also a book in which we copy telegrams.

Q. What else?—A. Those are about the only books.

Q. About the only books. I want the others, the other books, leaving out the about?—A. Those are the only books, sir.

Q. The only books?—A. Yes, sir.

Q. Then what other books are kept in the department, personal books, personal account books?—A. Not any, sir.

Q. The chief agent of the department, Mr. Parson, has he got a separate set of books?—A. No, sir. That is what I referred to as the petty cash book kept by me.

Q. Those are kept by you?—A. Yes, sir.

Q. Then have you any knowledge of his separate account books?—A. No, sir.

Q. Are they kept in the office?—A. No, sir. His personal account?

Q. Yes?—A. No, sir.

Q. I mean to say the bookkeeping is not done in the office, but are the books themselves ther in the office?—A. All the bookkeeping is done in the office.

Q. I did not ask you about that. The personal account books of Mr. Parsons?—A. No, sir.

Q. Other than those you referred to?—A. I know nothing about them.

Q. Do you know whether there are any such books existing or of the keeping of any such books?—A. I know of no such books kept or in existence in the office.

Q. You know that?—A. Yes, sir.

Q. Where are they kept?—A. I don't know anything about them, I don't know anything about Mr. Parsons' personal affairs.

Q. I see. You have your own account book?—A. Yes, sir.

Q. Bank book?—A. Yes, sir.

Q. And what books have you for yourself, please?—A. Personal?

Q. Yes?—A. I have a cheque book, that is all.

Q. Cash book?—A. No, sir.

Q. No record of receipts?—A. My personal account?

Q. Yes?—A. No, sir. All I have is the receipts themselves, but no books, I do not enter anything.

Q. No records of moneys received by you that come in from time to time?—A. My own personal account?

Q. Yes?—A. No, sir. I do not keep any books of my own personal account.

Q. You do not keep any books of your own personal account?—A. No, it is not sufficiently large to warrant me.

Q. You just have your bank book?—A. Yes.

Q. You have your cheques?—A. Yes.

Q. Cheque book?—A. Yes, sir.

Q. Any other books?—A. No, sir.

Q. Then who are in the office—Mr. Parsons is there I understand?—A. Yes, sir, he is agent.

Q. And you are there?—A. Yes, sir.

Q. In a separate office or along with the agent?—A. No, sir, I have a separate office.

Q. And Mr. Mitchell?—A. Yes, sir.

Q. In the same office with you?—A. No, sir.

Q. A separate office?—A. He is in the general office.

Q. And Mr. Johnston, a separate office or along with the agent?—A. No, sir, a separate office. He is the superintendent of lights.

Q. A separate office in the same building?—A. Yes, sir.

Q. Captain Travis, has he an office there?—A. No, sir, he is on board of the ship.

Q. Has the engineer an office there?—A. The engineer, Mr. Schmidt?

Q. Mr. Legere, the resident engineer?—A. Yes, sir.

Q. He has a separate office?—A. Yes, sir.

Q. And Mr. Schmidt a separate office?—A. He and his assistant, Mr. Stephens, have an office between them with the stenographer.

Q. His assistant, Mr. Stephens?—A. Yes, Mr. D. J. Stephens, with the stenographer, those three occupy one office.

Q. The stenographer for whom, the whole office?—A. No, for Mr. Stephens and Mr. Legere.

Q. Will you let me have the name of the stenographer?—A. C. J. Hayes.

Q. What is the name of the other stenographer in the office?—A. John D'Arcy. He is the stenographer of the general office.

Q. Mr. McConkey, has he a separate office?—A. Yes.

Q. You have quite an establishment?—A. We have, sir, indeed.

Q. And what other offices are there?—A. Well, Mr. Legere's assistants have an office—about here do you mean?

Q. What are the names of the assistants?—A. Mr. H. Fosberry, J. A. Brown, H. J. Alward.

Q. Then who else are there?—A. There is Mr. Hosterman, he is in the general office with Mr. Mitchell, and Mr. Anderson and Major Pickings.

Q. That comprises the staff?—A. That comprises the staff in the offices, sir.

Q. In the offices?—A. Yes, sir. Then there is the storekeeper's office in a separate building.

Q. Then has Mr. Macnamara an office at headquarters?—A. Yes, in one of the buildings in the dock yard.

Q. But in the head office?—A. It is altogether, but not in the same building, I mean.

Q. You have not mentioned his name?—A. I was giving you the staff of the office, that is all. He is a storekeeper in a separate building.

Q. Yes. Now let us have that building?—A. Mr. Macnamara is the storekeeper.

Q. Wait, please. Mr. Macnamara. Then he is chief in that building and office, is he?—A. Yes, sir.

Q. How long has he been there?—A. I didn't look it up before I came—I think he came—

Q. About how long?—A. I should think about 1897 or 1898, I should think somewhere in the neighbourhood.

Q. And what salary does he get?—A. \$2.60 a day—365 days in the year.

Q. Including Sundays, you are?—A. Yes, sir.

Q. You work him pretty hard?—A. He does; they don't all get that.

Q. Then with Mr. Macnamara there, what other offices are there?—A. John Russell, the timekeeper in that office.

Q. Who is Mr. Macnamara's chief assistant?—A. Borgle, assistant packer.

Q. Yes.—A. He is assistant packer, and a young man here by the name of Melvin, who is acting messenger here to-day. There was a man by the name of Merlin.

Q. Not Merwin?—A. No, sir. He is not with us now. That is all in that office. Of course, there are men working about the yard.

Q. That is in that office?—A. Yes, sir.

Q. Then I understand there is what is called a dock yard here?—A. Yes, sir.

Q. Is that the place where the goods are usually delivered?—A. Yes, sir.

Q. I see, a sort of delivery and re-delivery place, is it?—A. Yes, sir, the headquarters of the Marine and Fisheries Department in this agency.

Q. That has a gate?—A. Yes, sir, two of them.

Q. With a lock on them?—A. Yes, the north gate and the south gate and a watchman.

Q. Who goes in at the north gate?—A. Various people, it is a general entry.

Q. People who deliver go in there?—A. It depends from what part of the town they are coming from.

Q. They may go in either at the north gate or the south gate?—A. Yes, sir.

Q. Who keeps the keys of those gates?—A. There is always a watchman on them.

Q. What is the name of the watchman?—A. The day watchman at the south gate is—there are two men who take day and night, turn about, Pat Phalen and Baker.

Q. What is Baker's name?—A. I think it is C. Baker.

Q. Will you be kind enough to tell those gentlemen I want them here at 10 o'clock Monday morning?—A. Do you mean all the gentlemen?

Q. Those two gentlemen?—A. There are two men on the north gate.

Q. What are their names?—A. Scanlon and—

Q. What is Scanlon's first name?—A. Pat P.

Q. That is a good name. And the next one?—A. Cashon.

Q. What is his name?—A. I don't know his name. You want those four men here at 10 o'clock Monday morning?

Q. Yes. What time do they stay in the office this afternoon?—A. Ordinarily at one o'clock Saturdays; other days five or six o'clock.

Q. All right. My learned friend and I will communicate with you later. Then who else is in the dockyards besides these men?—A. I could not undertake, sir, to give you a list of all the men in the dockyard.

Q. Just of the employees?—A. No. There is another man by the name of Baker, who is a sort of stevedore of the yard.

Q. What, there are two men of the name of Baker?—A. Yes. A man named Lampiere, chief of police. The others are employed outside.

Q. We will get a list?—A. Yes, I will give you a list.

Q. Mr. Macnamara, I understand, is in charge of that?—A. Yes, sir.

Q. And who else is associated with Mr. Macnamara directly in charge?—A. Mr. Baker.

Q. Baker is the next man under him?—A. Yes, in a way.

Q. Now, what other place is there where business may be transacted?—A. No other place now. We had a place over at the docks, but that has been given up.

Q. The warehouse is a pretty large one?—A. Yes, sir. There are several of them.

Q. Sufficiently large to accommodate great quantities of supplies?—A. Yes, sir.

Q. So that supplies for a year ahead might easily be cared for?—A. Yes, sir.

Q. And remain there until used?—A. A great many of them are.

Q. Then what ships are there attached?—A. The *Lady Laurier* and the *Aberdeen* are the two working ships. There is a small boat, the *J. L. Nelson*, just recently—

Q. What one?—A. The *J. L. Nelson*.

Q. Recently attached?—A. She has been in the service only recently.

Q. Who is the captain of the *Lady Laurier*?—A. Captain Travis is the acting captain.

Q. How long has he been captain? You say acting captain—has he retired in a way?—A. No, sir. There has been no regular appointment as captain since Captain Johnston, who was in the *Laurier*, was made superintendent of lights.

Q. Oh, Captain Johnston left that to become inspector of lights?—A. Yes, sir.

Q. I see. That was December, 1907?—A. Yes, sir, somewhere thereabouts.

Q. How long was he captain of the *Lady Laurier*?—A. From the time she came out.

- Q. That is, Captain Johnston was?—A. Yes, sir. He brought her out.
- Q. And Captain Travis has taken his place?—A. Yes.
- Q. Where was he before that time?—A. First officer for a short time.
- Q. Who are the other officers of the *Lady Laurier* at the present time?—A. I am afraid I cannot give you the names, sir.
- Q. Who is the engineer?—A. Mr. Hopper, chief engineer.
- Q. And the assistant engineer?—A. I am afraid I cannot give you the names of the officers from memory, sir.
- Q. Will you be kind enough to get them for us?—A. Yes, sir.
- Q. I want the full names?—A. I will get you all that information, sir.
- Q. Of the?—A. Officers?
- Q. Including the steward and cook and so on all the way through?—A. All right, sir.
- Q. And the same way with the *Aberdeen*?—A. Yes.
- Q. Who is the captain there?—A. Captain Joseph Blois.
- Q. How long has he been captain?—A. She came down from Quebec two years ago, roughly speaking, and he has been in command of her; before that he was chief officer in one of the boats.
- Q. The *Aberdeen* is a pretty old ship?—A. No, sir.
- Q. When was she built, do you remember?—A. I don't remember off-hand.
- Q. About?—A. I don't remember off-hand.
- Q. The same with the ship *Lady Laurier*?—A. She was only recent, she was more recent. Of course, I can give you all those figures.
- Q. You can give the names of the officers and chief employees on those ships?—A. Yes, sir, all of them, I will.
- Q. Then what others are associated directly or indirectly in the management of the department at this place?—A. No one else, sir.
- Q. You have not the names?—A. I am afraid, perhaps, I do not quite catch the drift of your question.
- Q. You think you do not quite catch the drift of my question?—A. No, sir.
- Q. Then I will ask you to retire for the present and please get me the information bearing upon the last question, as well as the others. The reporter will give you a copy of the last question. Please get the information so that I may have it from you this afternoon?—A. The last question is—oh, he will give it to me?
- Q. Yes.
- Mr. WATSON.—Now, then, Mr. Robertson, have you got those books?
- Mr. ROBERTSON.—Yes.

W. G. ROBERTSON, recalled.

*By Mr. Watson:*

- Q. That is the cash book commencing January, 1904, and ending with that year, apparently?—A. Yes, sir.
- Q. A separate cash book for each year?—A. Yes, sir.
- Q. That will be five cash books, please. What is the matter with 1906 or 1907, only one cash book for that year?—A. That is 1907.
- Q. Then I want five, where is the next one?—A. You have them there, sir, 4, 5, 6 and 7.
- Q. But what about 1908?—A. We have that at the office.
- Q. Then please send for it for us.
- (Four cash books marked Exhibits 354, a, b, c and d.)
- Q. This is the ledger, the leaf system?—A. Yes, sir.
- Q. This commences?—A. It is all there.
- Q. For the whole period?—A. The whole period.
- Q. The 1st of January, 1904, to the present time?—A. To the present time.
- Q. What is the name of your bookkeeper?—A. Mr. Stech.

Q. That is Mr. Stech?

(Ledger marked Exhibit 355.)

Q. Why was the journal not produced, Mr. Robertson?—A. Well, I took this to cover books in which there were entries pertaining to the department.

Q. We want all books, if you please?—A. It does not say so.

Q. You are right in a way, of course?—A. You perfectly welcome to them all.

Q. Certainly, I understand that?—A. It will take a cart to bring up all the books we have.

Q. You have the journal?—A. Yes.

Q. What else?—A. We have letter books.

Q. And what else?—A. I don't know of anything else.

Q. The journal and the bank book, will you please bring them here?—A. Yes, sir.

Q. What other book?—A. None other that I know of.

Q. We have the cheque books?—A. The stubs are here; we have no cheque books. The current cheque book that is all.

Q. Yes. That will do for the present, Mr. Robertson. Will you kindly keep in attendance or subject to call?—A. What do you mean by subject to call, do you wish me to remain in court?

Q. It will not be necessary for you to remain to-day. Be here on Monday morning at 10 o'clock please.

(Witness's journal marked Exhibit 356.)

(Witness's file of cheque stubs, 22 in all marked Exhibit 327.)

Mr. WATSON.—I call W. W. Howell & Co.

My lord, I should say, after having called the firm of W. W. Howell & Co., that Mr. Morrison spoke to my learned friend and to me outside and said that Mr. Howell was not very well to-day and not able to be out. I understood the bookkeeper would be in attendance. I want the books. Is the bookkeeper of Mr. Howell here.

Mr. STEVENS.—I am the bookkeeper.

Mr. WATSON.—It will be necessary for Mr. Howell to be in attendance but of course under the circumstances it is not possible to-day.

HARRY STEVENS, SWORN.

*By Mr. Stevens:*

Q. Mr. Stevens, you are the bookkeeper for W. W. Howell & Co?—A. Yes, sir.

Q. How long have you been bookkeeper for them?—A. About nineteen years.

Q. Do you know who are the members of the firm?—A. Mr. William W. Howell.

Q. The only proprietor?—A. The only member of the firm, yes.

Q. The only member of the firm. He is not in the office to-day?—A. No, sir, he is not. He has illness at his house.

Q. What is the line of business?—A. Mechanical engineers.

Q. Mechanical engineers?—A. Yes.

Q. I see. You have a system of bookkeeping?—A. Yes, sir.

Q. What books have you got in the office?—A. Ledger, journal, cash book, day book, order book and a few others, smaller.

Q. A few others?—A. Possibly.

Q. Let us know what they are please now?—A. Let me see, I said ledger, journal, cash book, order book, day book, bank book.

Q. Yes; and the others?—A. That is about all I think.

Q. About all?—A. That is all I can remember.

Q. You see, we have got to get past the about. You know what books there are there?—A. Yes, I would know. I could say that is all.

Q. Eh?—A. That is all.

Q. That is all?—A. There would be a letter copying book.

Q. Yes. Where are the books kept?—A. In the office, in the safe.

Q. Are all the books kept there?—A. All in use.

Q. All in use?—A. Yes.

Q. And what about those that are not in use back for 1904, or from that time, where are they?—A. They would be—any that is kept would be in the building.

Q. Any that is kept would be in the building?—A. Yes.

Q. What do you mean by that answer, ‘any that is kept’?—A. Well, if we keep them, if they are wanted for reference. Most firms keep them, put them in a box and put them up.

Q. And you know all those books are there?—A. I have not looked up lately. Of course, we moved from that building to this three years ago.

Q. You did not leave anything behind you I suppose, not any books of the firm? —A. I cannot say.

Q. What?—A. I don’t know.

Q. Why don’t you know?—A. Well, because it three years ago.

Q. Two years ago?—A. Three, I think it is three.

Q. That is not very long ago, two years ago?—A. We burned catalogues, papers and all kinds of things.

Q. Yes. But all books of record in which entries are made?—A. I have mentioned all I can remember.

Q. But at all events all that have been kept since the first of January, 1904, are there in the building?—A. You are asking me questions—I have not looked up, I presume they are there.

Q. Have you destroyed the books?—A. Catalogues, circulars.

Q. Have you destroyed books of record in which business entries have been made? —A. I cannot tell unless I go over the books and see what is there.

Q. You cannot tell whether you have destroyed them, as a matter of recollection you cannot tell whether you have destroyed the books?—A. I would have to go over all the books.

Q. I am not asking about going over the books, but just as a matter of recollection have you destroyed any books of record, of entry?—A. I don’t think.

Q. You don’t think so, I should think that would be a matter that your memory would be reasonably clear upon?—A. Personally destroyed?

Q. Yes?—A. No.

Q. Who did destroy them?—A. Nobody that I know of.

Q. Well, you have been hesitating?—A. Not hesitating, because, as I say, we moved and those papers—we haven’t a very good system of putting things away, and our place is cleaned up by the men in the shop, and they might have got destroyed. Outside of that I cannot say. I have not gone over them. There has been no attempt to destroy or hide.

Q. I am speaking of destroying the books by burning them or throwing them away for any reason, good or bad, do you know of any such thing?—A. No.

Q. You do not, I see. How soon can you get these books here, by one o’clock?—A. By one o’clock.

Q. You can get them here by that time can you?—A. Well, all the books in use—yes.

Q. And what about those not in use, they are easy to get too?—A. We will, have to get among the dust to get them out.

Q. Is there an assistant bookkeeper?—A. Yes, sir.

Q. What is his name?—A. R. G. Rent. He comes in the afternoon and enters up the writing to make up the bills.

Q. Have you any special accounts?—A. Mr. Howell?

Q. Yes?—A. He has a small account in the savings bank.

Q. You keep his personal account as well as the office business account?—A. Any of his bills paid in the office I know of.

Q. But he has a personal account in addition to that ordinary business account? —A. He has a small amount in the savings bank.

Q. I am not asking about the bank account. He has a book containing entries

of his personal transactions, dealings and moneys, apart from the business book, has he not?—A. His personal expense account is kept in the regular ledger of the business.

Q. And all the expenses of the business, petty cash and otherwise appear in the books of the firm?—A. Books of the firm.

Q. That is the position?—A. Yes.

Q. Well, get the books here by one o'clock, please?—A. Could I get a list of what you require?

Q. Just bring such as you have, and please do not leave any behind?—A. I will try not to, sir.

Mr. WATSON.—Then Melvin & Co.

ARTHUR N. MELVIN sworn.

*By Mr. Watson:*

Q. What is your line of business, Mr. Melvin?—A. Hardware.

Q. Hardware?—A. Yes, sir.

Q. And a firm or a corporation?—A. A firm.

Q. Who are associated with you?—A. I am alone.

Q. Oh, you are the sole proprietor. Have you been in business for some time?—  
A. Yes, sir.

Q. Has any one got an interest in the business with you?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Any silent partner or partners?—A. No, sir.

Q. Eh?—A. None whatever.

Q. What is the name of the bookkeeper?—A. I haven't any, sir.

Q. You have not any bookkeeper?—A. No, sir.

Q. Who are your assistants in your business, your chief assistants?—A. Henry Barnstead.

Q. What are his duties generally?—A. Just as clerk in the store.

Q. Anyone else?—A. None but a boy.

Q. A boy?—A. Yes, sir.

Q. What is the boy's name?—A. William Hancock.

Q. That is all?—A. That is all, yes.

Q. That is all?—A. Well, I have an office in the city with a boy there.

Q. Another office in the city?—A. Yes, further down in the city.

Q. What is the name of the boy?—A. Melvin.

Q. Is he a son?—A. No, a nephew, just a small boy.

Q. Perhaps you will tell me with whom your relations are directly, that is, who gives you the orders usually?—A. They come down on written forms from the Marine and Fisheries Department.

Q. But with whom do you come into communication, personal communication the most, what is his name?—A. Well, only by telephone with Mr. Mitchell, sir, in relation to any orders.

Q. Mr. Mitchell?—A. He would telephone me for a price or something of that kind.

Q. And who else?—A. Nobody else.

Q. Nobody else. Then just to-day I would like to know how often you met Mr. Macnamara?—A. I don't meet him once in two months perhaps once in a month.

Q. I see, once a month. Then what books do you keep?—A. I keep a ledger.

Q. Let me see it, please?—A. It is at the office, but the Marine and Fisheries account is in just a separate book.

Q. But I want the whole ledger to look through?—A. All right, I will produce the ledger.

Q. You did not bring it up with you?—A. No, sir.

Q. What else, a cash book?—A. No, sir, I don't keep a cash book.

Q. You don't keep any cash book?—A. No, sir.

Q. What else besides the ledger?—A. Nothing but the ledger and the day book.

Q. You have those books, the ledger and day book?—A. Yes sir.

Q. How many ledgers have you?—A. Only the one.

Q. Commencing when?—A. Oh, it is two or three years old, I think.

Q. Two or three years old?—A. I have the old ones as well.

Q. Then there is the ledger before that?—A. Yes.

Q. You have got that?—A. Yes, sir.

Q. Then I want the present ledger and the one preceding that?—A. Yes, sir.

Q. Then what else?—A. Those are all the books I keep; my business is very small.

Q. Your business is very small?—A. Yes, sir.

Q. What did you say the line of business was?—A. Hardware, retail hardware.

Q. Retail hardware?—A. Yes, sir.

Q. Is it the fact that you do not deal or sell to any other customer than the department, except in a trifling way—just generally I want to ask that question, your chief customer is the department?—A. One of the chief—yes, my chief customer.

Q. That is your chief customer?—A. Yes.

Q. You do not want to qualify that? You are sort of attached then to the department?—A. Not at all.

Q. I see. Well, then, what other books have you now besides the two ledgers?—A. Nothing else but the day books and ledgers.

Q. Day books—what about the bank book?—A. Of course, I have a bank book.

Q. What bank is the account kept in?—A. Bank of Montreal, north end branch.

Q. You have your bank books and your cheque books?—A. Yes, the stubs of cheques.

Q. The stubs of cheques and your cheques?—A. I have not the cheques, but I have the cheque book.

Q. Why not?—A. Because I always destroy them after I sign for them.

Q. You always destroy them after you sign for them?—A. Yes, to the bank.

Q. When did you get cheques last from the bank?—A. Oh, I think about two or three weeks—three or four weeks ago.

Q. That would be about the commencement of November, I suppose?—A. Yes, possibly, yes, sir.

Q. The commencement of November. Do you recollect—that is only a few days ago, so to speak—what day it was in November that you got the cheques?—A. No, sir, I do not.

Q. What time of the day, if you do not recollect the day?—A. My clerk got them.

Q. I thought you got them?—A. No, sir, I am down town all the time.

Q. Did you destroy them the same day you got them?—A. No, I don't know I did; that night.

Q. What day did you destroy them?—A. It may have been the night after when I went home, sir.

Q. It may have been?—A. Yes, sir.

Q. What day of the month was it you destroyed those cheques, the evening of the 2nd or the 3rd November?—A. I don't know, sir. It may have been.

Q. I know it may have been, but it may not have been?—A. No, it may not have been.

Q. It may not have been. Then we are not much further on?—A. No.

Q. You see, I want to get the fact on what day it was those cheques were destroyed?—A. Well, you can. It was some time in November, I think.

Q. I know. That may have been yesterday then?—A. No—yes, it may have been yesterday.

Q. That is the fact, it may have been yesterday. Will you swear it was not yesterday?—A. Yes, sir.

Q. Or the day before?—A. Yes, sir.

Q. What day was it?—A. It was at least three weeks ago.

Q. At least three weeks ago?—A. Or the day after we were signed for, about the day after they were signed for.

Q. How did you destroy them?—A. By burning them.

Q. I see. Where did you put them?—A. In the stove in the store.

Q. In the stove in the store?—A. Yes.

Q. You did it yourself?—A. Yes, sir, I did it myself.

Q. Who were there at the time you did it?—A. My clerk, Mr. Barnstead.

Q. I see, he was present?—A. He was present.

Q. And what time of the day was that, or night, rather?—A. That was in the evening.

Q. What time?—A. About seven o'clock, possibly half past.

Q. You put them all in?—A. I put all that batch I received that time.

Q. What else did you put in besides the cheques at that time?—A. Nothing else.

Q. Nothing else at that time?—A. Nothing else at that time.

Q. How many cheques were there?—A. Oh, possibly forty or fifty.

Q. Possibly forty or fifty. That would be a very small bundle?—A. Yes, sir.

Q. Were they much in the way?—A. No, it has been my custom ever since I have been in business, after the cheques are paid and I have examined them, to see the signatures were all right, then to burn them.

Q. To see the signatures were all right?—A. Yes.

Q. Then you burn them?—A. Yes, sir.

Q. That is a matter of business system, is it?—A. Well—

Q. Good business system?—A. Well, I consider it such; I have no further use for them.

Q. So that is the course you pursued as a matter of business system?—A. And I have always pursued it.

Q. How many cheque books do you have?—A. Two.

Q. Two cheque books current at the same time, that right?—A. Yes, sir.

Q. Why do you have two cheque books current?—A. Because the firm name is Melvin & Co., and I pay all cheques for merchandise from them, and my own account I keep in a separate bank and pay the cheques separate.

Q. How many cheque books are current for yourself, personally?—A. One.

Q. Just one?—A. Yes, sir.

Q. You have one at each office, I suppose?—A. Yes.

Q. Then we have got two?—A. No. The cheque books are all kept at the office, just two cheque books, one Melvin & Co., and one A. Melvin.

Q. But have you not more than one for Mr. A. N. Melvin?—A. No, sir; I have only one cheque book for current account.

Q. For current account?—A. Yes, sir.

Q. And what about a special account?—A. I have no special account, unless it is a savings account.

Q. Then do you have more than one current cheque book for the firm?—A. No, sir.

Q. I thought you had two offices, two shops?—A. I have two shops, but only one office.

Q. Then you have your own personal cheques, of course?—A. No, sir; not the cheques. I have the stubs, but not the cheques.

Q. Not the cheques?—A. No.

Q. When were they destroyed?—A. Oh, sometime ago. I don't think I have had them for quite a while from the bank.

Q. Not for quite a while from the bank?—A. That is my private ones.

Q. How long is it that you have not had them from the bank, for the last year?—A. No, I don't think it is that long, possibly.

Q. Nine months?—A. Possibly nine or six months.

Q. And what bank did you say?—A. The Union Bank.

Q. And who is the manager of that branch?—A. The Union Bank?

Q. Yes?—A. Mr. Frazee.

Q. Then Mr. Frazee—will you be good enough—that is from six to nine months the cheques are there from that bank—will you be good enough on Monday morning at the opening of the bank to get those cheques and bring them here?—A. I will, sir, yes.

Q. Along with you?—A. Along with me, sir.

Q. And then the firm account is kept in the same bank?—A. No, sir.

Q. What bank?—A. The Bank of Montreal, North End Branch. My business is in the upper part of the city.

Q. What is the name of the manager there?—A. Mr. Hellesby

Q. Will you be good enough to authorize us to have our representative communicate with him as to what he has in his possession, what cheques, if any, he has there?—A. Yes, sir.

Q. We would not do it, of course, without your authority, will you give us that permission?—A. Yes, with pleasure.

Q. All right, thank you. And then will you be also good enough to call and bring them?—A. Yes, sir.

Q. Then you do not destroy your personal cheques?—A. Yes, sir, as soon as I get them.

Q. As soon as you get them?—A. As soon as I get them from the bank, either personal or otherwise.

Q. I see, you destroy them?—A. Yes, sir, always.

Q. Will you have the books here for us? We will wait for you to get them. Have them here by a quarter past one, please. We want them particularly?—A. I can hardly do it, my store is a long distance away.

Q. It is in the other end of the city, is it?—A. Yes, sir.

Q. What time can you have them in the afternoon? We will meet you here?—A. Any time you say.

Q. Then will you kindly have them here at three o'clock. Will that be convenient to you?—A. Yes, sir.

Q. And be good enough to produce everything so it will not be necessary to have more running to and fro?—A. I will, sir.

Q. Thank you.

WILLIAM SILVER, sworn.

*By Mr. Watson:*

Q. You are of William Silver & Co., I believe, who are your partners, Mr. Silver?—A. My brother Harold.

Q. In the dry goods line?—A. Yes, sir.

Q. Exclusively dry goods?—A. Yes, different branches.

Q. Different branches of dry goods?—A. Yes, sir.

Q. Whom do you come in contact with most, the captains?—A. The captains and Mr. Mitchell I think.

Q. I see, the captains of the two ships?—A. Yes.

Q. And other officers of the two ships?—A. Principally the captains I think.

Q. Principally; but who else besides the captains?—A. Personally I do not meet them.

Q. Who does?—A. Mr. Johnston.

Q. Who is Mr. Johnston?—A. He is in our employ.

Q. He is in your employment?—A. Yes, that is his branch of the business to look after that.

Q. To look after what?—A. He takes the orders and fills them.

Q. That is departmental orders?—A. Yes, sir.

- Q. Is that his branch?—A. That is his branch.  
Q. What is Mr. Johnston's first name?—A. Charles.  
Q. Charles Johnston, I see. Does he spell his name with or without a 'T'?—  
A. With a 'T' I think.  
Q. What do you call him in the business?—A. Oh, he is a clerk.  
Q. Just a clerk?—A. Yes.  
Q. Who else besides Mr. Johnston participates in attention to that work, any one else?—A. In what way, who receives the orders?  
Q. Receives the orders and delivers the goods?—A. He does that.  
Q. Anyone else to help him?—A. He has an assistant in the department.  
Q. I want the name?—A. Mr. Zinck.  
Q. And?—A. Well, of course the tailor has something to do with it.  
Q. Yes. What is his name?—A. Foster, J. C. Foster.  
Q. You have a regular system of bookkeeping, Mr. Silver?—A. Yes, sir.  
Q. Have you got your books here?—A. Well, I had the ledgers brought up, but that is all.  
Q. Only the ledgers?—A. Yes.  
Q. What books do you keep?—A. I keep a journal, bank book, cash book.  
Q. What is the name of the bookkeeper?—A. Mr. Blake.  
Q. Mr. Blake?—A. Yes.  
Q. Has he been with you long?—A. A little over two years.  
Q. What is the name of the bookkeeper before him?—A. Dow. He is dead.  
Q. Dow—not living, eh?—A. No.  
Q. Do you keep cash books?—A. Yes.  
Q. Journals?—A. Yes.  
Q. Ledgers?—A. Yes.  
Q. Day books?—A. Day books.  
Q. Order books, delivery books?—A. No, I cannot say we keep order books, no special—  
Q. What other books do you keep?—A. I may say there is an order book for custom clothing. That is put down in the order book, but not generally.  
Q. Then where do you keep your bank account?—A. The Bank of Nova Scotia.  
Q. One account or more than one?—A. One only.  
Q. Who attends to that?—A. Well, I do myself largely.  
Q. I see. You have your bank books?—A. Yes, sir.  
Q. Have you got them here?—A. No.  
Q. Cheque books?—A. I have not the cheque books. I only have the ledgers.  
The others are bulky books.  
Q. They are there in your office?—A. Yes.  
Q. So you will be kind enough to produce them?—A. Yes.  
Q. Can you conveniently get them now?—A. Would Monday morning do?  
Q. Would that be much more convenient?—A. Yes.  
Q. Much more, you say?—A. Yes. There are a good many books and bulky extending over so many years, and these orders you are interested in are just in the general books.  
Q. Of course, it is necessary for us to see all the books?—A. Yes.  
Q. And you will have those ready on Monday morning?—A. Yes, I will have them ready on Monday morning.  
Q. Do you keep open this afternoon?—A. We do.  
Q. They are available between now and Monday morning?—A. Between now and Monday morning.  
Q. For us to inspect?—A. As I say, if Monday morning would suit you, it would suit me better, but of course we can make it—  
Q. I want to see the cash books this afternoon?—A. Yes.  
Q. And the cheque books?—A. Yes, I can have them for you. What time?  
11724—2½

Q. At three o'clock?—A. Three o'clock, yes.

Q. Then will you please be in attendance on Monday morning?—A. Yes; and this afternoon too, I suppose?

Q. Yes?—A. You want the cheque books and cash books this afternoon?

Hon. Mr. CASSELS.—We do not want you personally this afternoon.

Mr. WATSON.—No; the bookkeeper can bring them up, you will be sure he brings them all up?—A. I will have him here.

Q. That will do for the present. I will want you later?—A. Perhaps I might say we have a small account with the Montreal Bank, North End branch. We have a branch, but it has nothing whatever to do with the general business.

Q. Just bring the bank book and the cheque book covering that, please?—A. Yes.

Mr. FERGUSON and Mr. Cox were called but not present.

JONATHAN PARSONS, sworn.

*By Mr. Watson:*

Q. Mr. Parsons, have you brought with you your personal books of account?—A. No, sir.

Q. Where are they, at the office?—A. No, sir.

Q. Where are they?—A. They are in the hands of my solicitor.

Q. What is the name of your solicitor?—A. George H. Parsons.

Q. Are they in his hands for the purposes of this investigation?—A. No, sir, I think not.

Q. You think not?—A. Yes.

Q. I see. But in his hands in the capacity of your solicitor?—A. I think so, yes.

Q. In that capacity?—A. Yes.

Q. When did you place them in his hands?—A. To-day.

Q. What time to-day?—A. Oh, I don't know. I think probably between ten and twelve o'clock.

Q. That may have been within the last three-quarters of an hour, then?—A. Yes, sir.

Q. I see?—A. No, I think it was eleven. I gave it to another person to hand to him. I did not see him and I sent it to him at his request.

Q. Why did you not bring him here, instead of taking them to the solicitor?—A. I was not requested to.

Q. Is that the only reason?—A. That is the only reason. If I had been requested to bring them here I certainly would have brought them.

Q. You will be good enough to produce them here on Monday morning, will you?—Yes, sir. What books do you refer to, sir.

Q. Your books that you keep?—A. You mean the Marine and Fisheries books?

Q. No; your personal account books?—A. My personal account books? Yes, sir.

Q. Yes. you will produce them all?—A. Yes, sir.

Q. What books did you deliver to-day to your solicitor?—A. I sent him—

Q. Just name the books, please?—A. I sent him a cash book.

Q. A cash book. When did that book commence?—A. 1900.

Q. When did it end?—A. It ended perhaps yesterday or the day before.

Q. It ended perhaps yesterday or the day before. What other book besides that cash book?—A. No other book.

Q. I thought you said books. Perhaps I misunderstood you?—A. I did not use the word.

Q. Book it was, I see. So you gave him just that one book, the cash book?—A. Yes, sir.

Hon. Mr. CASSELS.—What about your cheque book?

Mr. WATSON.—I was going to ask about that, my lord.

Q. Did you give him your cheque book?—A. No, sir.

Q. You have that?—A. No, sir.

Q. Why not?—A. I don't keep a cheque book; I don't keep a bank account.

Q. You don't keep a bank account?—A. No, sir.

Q. Since when?—A. Oh, for a dozen years I have not kept a bank account.

Q. No bank account at all?—A. Well, perhaps something over a dozen years ago I was trustee for a certain fund, and I put my bank account in that as trustee.

Q. I do not want to go into that?—A. I think that was closed up this year, last summer.

Q. Yes. Now, I see by the official records of the department that advances are made to you from time to time to make payments that are urgent, to meet certain pressing matters of expenditure?—A. In the Marine and Fisheries?

Q. Yes. And that those advances are made to you by cheque?—A. Yes, sir.

Q. When you get those cheques what do you do with them?—A. I hand them to the accountant, Mr. Tremaine, the accountant of the Marine and Fisheries, Mr. Tremaine.

Q. I see, you hand them to him. Those cheques are made payable to your order?—A. I endorse them first or Mr. Tremaine hands them to me to be endorsed as soon as they come to hand.

Q. And then where are those deposited?—A. I think in the Bank of Montreal.

Q. In what account?—A. In the account of the Marine and Fisheries of Canada.

Q. I see?—A. It used to be the account years ago was in the name of the agent personally.

Q. When did it cease to be in the name of the agent personally?—A. I think about ten years, nine or ten years ago.

Q. Since then it has been kept as a departmental account, is that right?—A. Yes, at my suggestion.

Q. Who signs cheques on that account?—A. To draw it out; I do generally, and Mr. Tremaine has a power of attorney to sign cheques also when I am ill or absent.

Q. Yes. And who else?—A. That is all.

Q. Now, then, your own personal accounts are entered in the cash book that you have spoken of, Mr. —?—A. Parsons.

Q. Parsons. And do I understand that you have not any other books than that?—A. I have a regular memorandum book that I use occasionally, especially when I am travelling around to put down memoranda.

Q. That is what I understood?—A. About things that happen, especially things to be remembered or caught up by me further on.

Q. That is what I understood; and what else, what other book?—A. Relating to cash or cash transactions?

Q. Relating to anything?—A. And I did some few years ago keep a kind of a diary, but only of incidental matters, and I dropped it.

Q. And that was kept up until some time last year?—A. Sir?

Q. And that was kept up until some time last year, I think?—A. I did not say so.

Q. Well, am I mistaken when I say so?—A. Yes, sir, I think you are.

Q. I see, I am mistaken. Up to what time was it kept?—A. It has not been kept for fifteen or eighteen years.

Q. Oh, indeed, it is another book then I had in mind, according to my information. What is the other book?—A. Not any other.

Q. Not any other?—A. Yes, I have a letter book belonging to the department which was sent to me some few years ago and in which I wrote some confidential letters. I have perhaps one hundred and fifty or one hundred and sixty letters in that book, but I have not written very much in it for the last year or two. I preferred my letters should be typed and go on the general files.

Q. Yes. Then will you be good enough to give directions that we may see those books at three o'clock here at the court house?—A. Yes, sir, I think so.

Q. Thank you. All books that you have referred to, let them be here this afternoon?—A. Not the old diary, I hope. I cannot call that up, that has been destroyed, I think.

Q. No, do not bother about that. Then that is all for the present, thank you, Mr. Parsons.

JOSEPH H. AUSTEN, sworn.

*By Mr. Watson:*

Q. Have you got your books here?—A. No, sir, I did not bring them. I thought we were further at the foot of the list, and we preferred to keep them.

Q. What list is that?—A. Of the list of the people of Halifax. I thought we would not be called this morning, and we preferred to have our books in our safe until Monday morning. If you say so, we will bring them here now.

Q. What books have you?—A. We have got a ledger, journal, cash book, day book, cheque book.

Q. Meantime, will you please have the ledger and the cash book here this afternoon?—A. Yes, sir.

Q. What is the name of your bookkeeper?—A. My bookkeeper is my brother, my partner.

Q. He is your partner. Any other partner?—A. No, sir.

Q. Well, three o'clock this afternoon?—A. The ledger and cash book?

Q. The ledger and cash book, yes. And be on hand Monday morning, please?—A. Yes.

RICHARD G. BEAZLEY, sworn.

*By Mr. Watson:*

Q. Who is with you, Mr. Beazley, in business?—A. Two brothers, William and Henry.

Q. You are the senior?—A. I am the junior.

Q. I see?—A. I am the youngest.

Q. Did you bring your books with you?—A. I did not.

Q. Why not?—A. Well, I can get them in short notice. I can get them in a few minutes by telephone. Saturday is an awkward day.

Q. Yes, I suppose it is an off-day, part of it at all events. What books do you keep?—A. We keep a ledger, journal, day book, cash book and small books, books kept by the men in charge of work, which are returned to us at the end of each week, entered on to our day book, and then at the end of the year they are kept in the office.

Q. Yes. What bank account, with what bank?—A. The Union Bank.

Q. Then at three o'clock will you please have your cash book and ledger here?—A. I will.

Q. From the first on January, 1904?—A. We have no books, we destroyed our books.

Q. What?—A. We have no books, we destroyed our books about the first of the year 1906.

Q. The first of the year 1906?—A. That is we destroyed most of them about the first of the year, the early part of 1906.

Q. Yes. Why was that?—A. Well, we had very little room for them and very little use for them; we got new books and destroyed the old ones.

Q. Who were the members of the firm at that time?—A. The same as at present.

Q. It would be necessary then that your brothers should also be in attendance on Monday?—A. Neither one of them is in Halifax.

Q. Where are they?—A. They are out on works, one at a place sixty miles east of Halifax, Moser river, and the other at Port Hawkesbury.

Q. Then we can get them at a later occasion?—A. If you require them I will send for them.

Q. We will see your books first and then follow up?—A. Very well.

Q. What records have you got before the first of January, 1905?—A. I think we have all our cheque stubs and possibly our cheques before that.

Q. And any other records?—A. And any other books that would not take up too much room. Our space for the accommodation of books is somewhat limited.

Q. Yes. Then I will not pursue it any further with you at the present time, Mr. Beazley. I will be obliged to you if you can kindly have those books here at three o'clock?—A. Very good.

R. J. FLINN sworn.

*By Mr. Watson:*

Q. Mr. Flinn, have you got your books here?—A. No, sir, I didn't bring them along to-day. This is Saturday and I didn't know whether I would be called to-day or not. I can get them.

Q. What books do you keep?—A. Ledger, day book and cash book.

Q. What else?—A. Just a bank book and cheques.

Q. Will you please have your ledger and day book and cash book and cheque book here at three o'clock?—A. Well, just the current cheque book?

Q. No, the ones before that, the stubs of the cheque book?—A. If I can find the old ones.

Q. Of course, the usual system is that when cheques come back from the bank they are pasted into the stubs?—A. No, I generally tie them up with string and they are consigned up stairs. I don't know whether they can be found or not, that is for a year or two. I will find out what I can do. Just the cash books and stubs, anything I can get. Do you want the day book and ledger?

Q. Yes. That is what I said, the day book, ledger and cash book?—A. Cheque book and stubs.

Q. Yes.

Mr. WATSON.—Of course, my lord, this is just a random shot over the list. There are others equally important, perhaps more so, but probably we have gone as far as your lordship desires to proceed on this sitting, being Saturday I suppose we cannot get much further.

Hon. Mr. CASSELS.—Then we will adjourn until Monday at ten o'clock.

Mr. WATSON.—All right, my lord.

(Adjourned at 1.15 p.m., to 10.15 a.m., Monday, November 30, 1908.)

HALIFAX, Monday, November 30, 1908, 10.15 a.m.

WILLIAM F. MCKENZIE, called, not present.

Mr. WATSON.—I would just say to your lordship that in view of some special labour which my learned friend and I find is devolving upon us here at present we are of opinion that the sittings at Halifax will necessarily be somewhat protracted. I am merely giving that as a matter of information to your lordship.

ALEXANDER J. FERGUSON, sworn.

*By Mr. Watson:*

Q. Mr. Ferguson, you are of the firm of Ferguson & Cox?—A. Yes, sir.

Q. And what is your line of business here?—A. Boiler making, and heavy blacksmith work.

Q. And heavy blacksmith work?—A. Yes.

Q. We find that your transactions with the Marine Department have been quite extensive during three or four years preceding this time. Have you brought with you——?—A. I beg your pardon.

Q. Have you brought with you your books?—A. My bookkeeper has the books here in court.

Q. Will you ask the bookkeeper to bring them to you please?—A. (Bookkeeper produces books.)

Q. Now, in the first place, I want the time books. Have you got them here?—A. Yes, sir. Of course, my bookkeeper—

Q. Are you sure they are all there?—A. Yes, sir.

Q. Covering what period?—A. 1906.

Q. 1906?—A. Yes, sir.

Q. What about 1905?—A. Well, the firm changed since 1905, and my books, I had no room for them. I had no office, Mr. Cox keeping my books at his office, and my books were put away in a box up in the building I moved in, and there was a fire there I think about July 1, and of course I think those went to the rubbish.

Q. What?—A. They must have gone to the rubbish after the fire. I didn't think I had to keep those books after the firm changed hands because I had no room for them..

Q. That is, after the fire you did not think you had to keep them?—A. No; before I put them up there out of the way, I had no office.

Q. What books did you put up there out of the way?—A. The set of books for the firm.

Q. What books?—A. Well, the cash book, the old cash book, and time books, ledgers, and such like.

Q. Where were they put?—A. Put in the loft in the building I moved in.

Q. Where was it?—A. O'Connor's wharf.

Q. O'Connor's wharf?—A. O'Connor's wharf, Water street, yes, sir.

Q. What building was it there?—A. It was owned by the Chemical Company.

Q. The Chemical Company?—A. Yes, before I bought it.

Q. How do you identify the building, was it numbered?—A. I don't know it is numbered, but it is O'Conner's wharf.

Q. But is there more than one building on O'Connor's wharf?—A. Yes, sir.

Q. Then how do you identify this particular one?—A. I identify it by Ferguson & Cox, that is the only identification we have.

Q. Did you occupy the whole building?—A. Which?

Q. The whole building?—A. Yes, sir, that one building.

Q. Are you still in occupation of that building?—A. Which? I am a little deaf.

Q. Do you still occupy that building?—A. Yes, sir, the boilerworks.

Q. You are still in possession there?—A. Yes, sir.

Q. And how long have you been there in that building?—A. Since April, two years ago.

Q. April two years ago. That is April, 1906?—A. Yes, April, 1906.

Q. Where were you before that time?—A. In the old Symons property over in Dartmouth, on the Dartmouth side.

Q. What building were you in there?—. The building belonged to Mr. Bain.

Q. Yes. And were the books brought from that building over here to the O'Connor dock?—A. Yes, sir.

Q. Everything was brought?—A. Everything was brought there, yes, sir.

Q. The firm was Ferguson & Cox?—A. And is still.

Q. And still is Ferguson & Cox?—A. And is still.

Q. And still is Ferguson & Cox?—A. Yes, went by that name.

Q. Who is your partner?—A. I have no partner.

Q. You have no partner?—A. No.

Q. Who is Mr. Cox?—A. My bookkeeper.

Q. You bookkeeper?—A. Yes, sir.

Q. You have never had a partner?—A. I had up till 1906.

Q. Who was the partner?—A. Mr. Cox.

Q. Mr. Cox the bookkeeper?—A. Yes, sir. He was my partner. Then he sold his share over to me, and we still continued the old name.

Q. And he continued as bookkeeper?—A. Yes, sir.

Q. When did the partnership cease?—A. In April, 1906.

Q. There has ben no partnership since that time?—A. No, sir.

Q. Who put the books in the loft?—A. Well, Mr. Cox and I packed them in a box when we moved out. We had a little office there and I turned it into a machine shop, put a lathe up there for my own use.

Q. Who packed the books in a box?—A. Mr. Cox.

Q. Did you see him do it?—A. Yes, sir; we were both there.

Q. Where was the box placed?—A. Up in the south end of the building, up next to the water front.

Q. When did the fire take place?—A. About July, 1906.

Q. July, 1906?—A. Yes.

Q. Firemen were there?—A. Excuse me one minute. I am a little tied up. It was last year the fire took place.

Q. Do you mean this year?—A. Yes, last July.

Q. This last July?—A. Yes. I must beg to be excused for that.

Q. July, 1908?—A. Yes, sir

Q. When did you last see the books before the fire?—A. Very often. I would be up there probably a week or fortnight before the fire, the box was there.

Q. I see. Did you go over some of the books?—A. No, we never looked over the books, we had no occasion to look through them. We just laid them there in the box.

Q. Were firemen there at the time of the fire?—A. Yes.

Q. What firemen?—A. Chief Broderick—of course, I don't know what other firemen.

Q. Chief Broderick?—A. Yes. He was ther at the fire.

Q. You saw the box afterwards?—A. No, sir, I did not.

Q. What was destroyed upstairs?—A. The roof, and there was a whole lot of miscelaneous stuff there and it was all mixed up.

Q. What was?—A. This stuff; there was a lot of old boxes and old carboys.

Q. You saw those after the fire?—A. They were all mixed up there.

Q. You saw the other boxes there all mixed up after the fire?—A. Yes, sir.

Q. And this box was amongst the others mixed up?—A. I should imagine so, anyway.

Q. You thought it was there after the fire. Did you see anything else there besides the boxes?—A. Carboys, as I told you.

Q. You got them?—A. No. Everything was cleaned out, put in the dump.

Q. Put in the dump?—A. Yes. It was all mixed up in a pool of water and—

Q. Did you say all the boxes were there; they were not burned up?—A. They were all broken and burnt up.

Q. But I thought you said you saw the boxes there?—A. The carboys, I said.

Q. No, the boxes were there, you told me, a few minutes after the fire?—A. There was a lot of old miscellaneous boxes and carboys. Of course, I didn't go over-hauling everything; there was nothing there of any consequence.

Q. But those books were there?—A. I never thought about them at the time.

Q. You never thought about them at the time?—A. No.

Q. But you would think about them when the boxes were being removed?—A. I didn't think of them because I thought they were of no consequence.

Q. You thought they were of no consequence, I see. Now then, Mr. Ferguson, we will not pursue that any further, but if you please we would like further search made and like to have the box found and the books produced?—A. I will do that, sir; I will hunt for them, but I am certain—

Q. Try and find them, please?—A. All right, sir.

Q. What have you produced now?—A. I produce the set of books that we have at the present time.

Q. You are quite familiar with the business?—A. Well, as a practical man, I am actually outside all the time.

Q. You are quite familiar with your own business?—A. Familiar to a certain extent, yes, sir.

Q. To a certain extent?—A. Yes. That is as far as looking after the—

Q. Is there anybody that knows more about your own business than you do?—A. About the books, Mr. Cox. I trust to him; I am no scholar. I have trusted to him to look after the books and give me a statement every year since I took the business over.

Q. But you knew what was in the books?—A. I know at the time of the statement what is there, pretty near.

Q. You are in the habit of looking at the books from time to time?—A. No, sir, I am not.

Q. You are not?—A. No, I am not. I trusted them all to Mr. Cox.

Q. You trusted all to Mr. Cox?—A. Yes, as a reliable man, he looked after my books to my satisfaction.

Q. You know what work was done from time to time for the department and for different persons?—A. Yes, sir, I know that.

Q. You know what work was done from time to time for officials of the department?—A. Yes, sir.

Q. You have not forgotten that?—A. Well—

Q. Never mind. Just yes or no?—A. Forgotten certain jobs?

Q. You have not forgotten them?—A. No, sir, I don't think.

Q. Then please have them in mind well when we call you again?—All right, sir.

Q. Now, then, what books have you got here?—A. The set of books, the whole set of the firm.

Q. Open them up, please?—A. (Witness opens up parcel.)

Q. Have you got the time books there?—A. These are three time books.

Q. Were the time books in 1906 like these?—A. Yes, sir.

Q. The same kind of covers?—A. Yes, sir.

Q. They will be easily identified then?—A. Yes, sir.

Q. That is what I understood, they were all like these?—A. Yes, sir.

Q. These are all the time books?—A. They are all I have here, sir.

Q. What are the other books?—A. Ledger and—

Q. That is a ledger?—A. Yes.

Q. What is this?—A. Cash book. I told you I am not familiar with these books at all.

Q. Never mind. What is that, the cash book?—A. The cash and discount book.

Q. The cash and discount book. Yes. Was any one else interested in the business with you?—A. No, sir.

Q. You have not heard all the question yet. During the last five years?—A. No, sir.

Q. Eh?—A. No, sir; no, sir.

Q. Did any one else receive any proportion of the profits of the business?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Do you know to what I refer?—A. No, sir.

Q. What is the other book?—A. This one, this is the cash book.

Q. Where are the cheques, the other cheques?—A. Those are the cheques, sir (producing).

Q. 1904?—A. Those were the cheques that were in the safe.

Q. In the safe?—A. That we put away.

Q. Where are the others?—A. Which others?

Q. Are there others?—A. Those are the only ones, those are all the cheques we have.

Q. Were any taken out for any other use?—A. No, sir.

Q. Eh?—A. No, sir. There are some in the bank yet we did not get.

Q. Some in the bank?—A. Yes.

Q. What else?—A. That is the cheque book we are using out of at the present time.

Q. Anything else, Mr. Ferguson?—A. No, that is all.

Q. Then I wish you would try and find those old books.

A. I will do the best I can. I am afraid we won't be able to find them.

Q. I have more hopes than you have, I think?—A. All right, sir.

HARRY STEVENS, re-called.

*By Mr. Watson:*

Q. Have you been sworn?—A. Yes, sir.

Q. What books have you now produced?—A. The books brought in Saturday and some more I have rooted up since.

Q. Yes. What other books have you got there?—A. I brought some about one o'clock.

Q. You did not leave those with us?—A. Yes., I left them with this gentleman here I think (indicating).

Q. What is this?—A. That is a blotter and roughing-out book.

(Day book marked Exhibit 358.)

Q. What else is there?—A. There were a number of cheques brought in Saturday, and others I have found since. You see, I had but a short time on Saturday, I left here twenty-five minutes to one, and had to be back at one.

Q. What others?—A. A journal and a note book.

(Marked Exhibits 359 and 360 respectively.)

WITNESS.—There are some papers there inside.

*By Mr. Watson:*

Q. Yes. The papers will be all right?—A. I don't know what they are.

Q. We are pretty careful of papers, at least we try to be. Is this the current cash book?—A. The one I brought in Saturday, the one in use, this one.

Q. Prior to that?—A. I didn't notice what date.

(Ledger marked Exhibit 361. Letter book marked Exhibit 362).

Q. Are you quite familiar with the business?—A. My line of business is mechanical and I have been bookkeeper, not a very successful one, because I was more interested in the mechanical part.

Q. More interested in the mechanical work?—A. Yes, but still I have kept them.

Q. You are familiar, however, with all receipts and with all expenditures?—A. Yes, sir.

Q. Large and small?—A. Large and small.

Q. So that you can vouch for every item of expenditure either in money or the equivalent of money?—A. As far as my memory would serve me or the records.

Q. Yes. From our memory and reference to the books, you can make quite an accurate record of all items of expenditure?—A. I will endeavour to do, sir.

Q. What else have you?—A. There are other copies of letters, but these happen to be on the slip, the latest one.

Q. What is the little book?—A. It appears to be a petty cash book.

Q. This is the stub of a cheque book. Where are the other stubs?—A. That is the only stub I can find.

Q. There must be others about?—A. These were not properly looked after.

Q. It will be necessary to have them, they are not destroyed?—A. Well, I will try. You see, I was late. I will try.

Q. Is there any reason to think they are destroyed?—A. I don't know.

Q. Would you deliberately destroy them?—A. Never.

Q. Well, just have a further look for them, if you please?—A. I will.

Q. What else?—A. Nothing else.

Q. Is Mr. Howell down to-day, is he at the office?—A. No, sir, Mr. Howell is unable to attend.

Q. What?—A. He is unable to attend business, his wife is dying.

Q. His wife?—A. Is critically ill, sir. Shall we send a doctor's certificate?

Q. Well, we will have to see how far you are able to go in your evidence. Will you speak to my learned friend, Mr. Perron. That will do just now.

Bundle of cheques, Ferguson & Cox, marked Exhibit 363.

Cheque book of Ferguson & Cox, marked Exhibit 364.

Pay book beginning April 11, 1908, marked Exhibit 365.

Pay book beginning April 20, 1907, marked Exhibit 366.

(Numbers from 367 to 376 inclusive omitted.)

Pay book beginning August 25, 1905, marked Exhibit 377.

Blotter of day book beginning May 1, 1906, marked Exhibit 378.

Cash book beginning January, 1906, marked Exhibit 379.

R. G. BEAZLEY, recalled,

*By Mr. Watson:*

Q. I think you told us yesterday, Mr. Beazley, that you were in partnership with your two brothers?—A. I told you that on Saturday, yes.

Q. On Saturday, yes. And in what other name is the business carried on, if any, than Beazley Brothers?—A. Well, Beazley Brothers, and we are associated with another interest with other firms in the city.

Q. Yes. And in what other names do you directly or indirectly carry on business? I ask this because I find it of importance. I think I am not unnecessarily prying into private affairs?—A. The firm of Beazley Brothers are interested in the Halifax Salvage Association.

Q. Oh, yes, that is the name, is it, the Halifax Salvage Association?—A. The Halifax Salvage Association.

Q. Is that the identical name?—A. That is the identical name.

Q. And some other company?—A. No.

Q. Or firm?—A. No, we are not interested in any other company or firm in the city.

Q. Then is there any other name under which you transact business, that is salvage and wrecking business or other business?—A. No, nothing. Any salvage business is done through the Halifax Salvage Association, or if it is salvage work that does not require such large and expensive plant as that of the Halifax Salvage Association, we do it in the name of Beazley Brothers, if you understand.

Q. Yes, Beazley Brothers. What do we understand your business is again?—A. The business of Beazley Brothers is for the most part steam lightering, dredging, towing, submarine diving.

Q. Yes?—A. And general contracting.

Q. And I suppose general contracting would cover a great many things?—A. Yes. We have been interested—I wish to make a little correction, it just occurred to me—we are interested in the name or firm of contractors at present of Messrs. Reid & Archibald.

Q. What is the name?—A. Reid & Archibald.

Q. I thought perhaps that had been terminated and that that was the reason you had not mentioned it?—A. I had forgotten it, as a matter of fact.

Q. I see. Anyone else?—A. No.

Q. So that the general contracting, I suppose, covers the chief part of your business?—A. The principal part.

Q. Yes, the principal part?—A. Under that head would come the dredging, which is the principal part of our business.

Q. And what steamers or tugs have you?—A. We have the steam tug *Shannon*.

Q. Yes. The steam lighter *Robby Burns*.

Q. And the steam lighter?—A. *Highland Mary*. Two dredges.

Q. Do they go by any name?—A. They are called dredge No. 1 and dredge No. 2.

Q. Just that, eh?—A. That is just as they are registered.

Q. Anything else?—A. We have some smaller craft.

Q. Just smaller craft?—A. Yes; other necessary gear and appliances.

Q. Then you have had considerable dealing with the Department of Marine and Fisheries?—A. Very little.

Q. Why, I thought you were very large contractors with the government. Perhaps that is with other departments, is it?—A. The Public Works and Railway, for the most part.

Q. We have nothing to do with those here in this matter. Then what kind of work or service have you performed for the Marine and Fisheries Department?—A. We have been employed by the Marine and Fisheries Department in the conveyance of materials from ships to the Marine and Fisheries depot, from the Marine and Fisheries depot to the lighthouses, and in the conveyance of buoys and boilers and other heavy articles from the cars to the depot and from the depot elsewhere.

Q. From the depot elsewhere on the water?—A. I mean the Marine and Fisheries depot, headquarters.

Q. I see. Then your work for the most part has been that of transporting or carrying from one place to another?—A. Yes, conveying.

Q. I understood the department had a system here, including ships and means for transportation. It apparently has not, eh?—A. Yes, they have, but for the most part they would employ us when their own vessels for some reason were unavailable, they were absent.

Q. Just under special circumstances?—A. Just under special circumstances.

Q. And in those matters you got your directions from whom, Mr. Parsons?—A. For the most part from Mr. Parsons through Mr. Tremaine.

Q. Through Mr. Tremaine for the most part?—A. For the most part.

Q. That is during the last three or four years?—A. Three or four years.

Q. And from whom else did you get directions from time to time?—A. Well, we might, I think probably we have got messages from Mr. Macnamara that certain goods had to be shifted, or possibly from Captain Johnston. I am not quite sure about that, but it is possible.

Q. Mr. Tremaine, Mr. Macnamara, Mr. Johnston?—A. Yes.

Q. Who else?—A. Possibly Mr. Mitchell, and it may be Mr. Parsons. I have no distinct recollection of that.

Q. You have no distinct recollection of coming into communication directly with Mr. Parsons?—A. I never came into direct communication with any of them; it has always been by telephone.

Q. I see, all business communications with the office have been by telephone?—A. I think so. For the most part inquiring the prices before the work was done.

Q. Yes. Just by telephone?—A. Telephone.

Q. Would it be possible for you to fix prices before the work was done?—A. Oh, yes.

Q. Eh?—A. Oh, yes. The work we did for the department, for instance the lifting of heavy weights, we know when the weight is told us about what it is worth, about what the work is worth, and we could say without any hesitation.

Q. Yes. Has there ever been any superintendent from the department supervising your work to your knowledge?—A. No, I think not.

Q. You think not. Has there been any official in the department who has supervised any portion of your work to your knowledge?—A. Yes. In some cases where we were to relight buoys, the lights had been extinguished, one of the department's employees would proceed on the vessel to relight the buoys.

Q. Oh, yes, that would be work in addition to the work you were doing?—A. In the event of the conveyance of a heavy weight there would be no necessity for supervising it, because it was entirely at our risk until delivered at the premises of the department.

Q. I see. Now then, we can come to this later on. Meantime is it a fact that

you have made payments of money, you or your firm made payments of money to Mr. Johnston—yes or no, please?—A. Yes.

Q. Then, will you please show me the book containing reference to those payments? These are your books, I think (indicating)?—A. No, these are not our books. (Produces books.) The ledger which was in this box is not here now.

Q. They were all in the box when the books were produced there this morning. Certainly nobody has taken the ledger away. The young man says it was there. Of course, nobody has been looking in this box this morning on the part of the commission?—A. Here it is. (Producing ledger).

Q. We find here in this ledger of 1908 at page 155, April 23, under the head of Captain P. C. Johnston, C.B.—that is cash book—177. Let me have the cash book, page 177, please—\$100. - Did you give him that \$100?—A. I did not give it to him, my brother did.

Q. Your brother gave him that one hundred dollars?—A. Yes, sir.

Q. Which brother was it?—A. Henry.

Q. That is the reason I enquired from you yesterday where your other brothers were just now.

Hon. Mr. CASSELS.—On Saturday.

Mr. WATSON.—On Saturday, yes, my lord.

Q. Then have you personal knowledge of this payment?—A. I have. I know—

Q. How was it paid to him, cheque or cash?—A. By cheque.

Q. By cheque. Will you let me see the cheque, please?—A. The stub is there.

Q. April 23, 1908, Captain P. C. Johnston one hundred dollars. Where was he when that was given to him?—A. I don't know. I was away when that cheque was given. I presume he was in the office.

Q. I thought you said you had personal knowledge of the matter?—A. I know that it was given to him. I did not see it. I was not in the office when it was given to him. I presume I was out of town.

Q. I understood you to say you had personal knowledge of the transaction?—A. I know he received it, my brother told me so; that is all the personal knowledge.

Q. That is hardly personal knowledge?—A. Perhaps you would not consider it personal knowledge, but he received it.

Q. I see something marked about the Mount Temple. What is the Mount Temple?—A. You asked me to answer yes or no if he received it. I answered you yes. I propose to explain it when you get through the questions.

Q. Certainly. What is the *Mount Temple* meantime?—A. The *Mount Temple* is a ship the Halifax Salvage Association floated last spring.

Q. Last spring?—A. Last spring.

Q. What time last spring?—A. She stranded in December and was floated in April.

Q. April?—A. 1908.

Q. The *Mount Temple*?—A. Yes.

Q. And she was stranded when?—A. I think in December, if I mistake not.

Q. Where was it the *Mount Temple* was stranded and floated?—A. A place called Iron Bound near La Have.

Q. Now, in April, 1908, Captain Johnston was acting as inspector of lights, light inspector?—A. Yes.

Q. You were aware of that?—A. I am aware of that, but—

Q. Light inspector. His place was here in the department?—A. But the service, the advice for which we paid him the amount, when we paid him he was in charge of the *Lady Laurier*.

Q. The advice for which you paid him?—A. Yes, the advice for which we paid him.

Q. Yes?—A. And then—

Q. Then you found it necessary to get outside advice, advice from the officials of the department.

*By Hon. Mr. Cassels:*

Q. When he was in charge of the *Lady Laurier*?—A. He was captain of the *Lady Laurier*.

*By Mr. Watson:*

Q. What date?—A. I am speaking of December.

Q. What time in December?—A. When the *Mount Temple* went ashore.

Q. Do you know the date?—A. We can find out.

Q. I wish you would have the bookkeeper find up the date when the *Mount Temple* went ashore. Then do you find it necessary to get advice from others in connection with your business?—A. Perhaps I might explain.

Q. Yes or no, please. That is the best answer meantime?—A. The *Lady Laurier*—

Q. Do you find it necessary to get advice in connection with your business?—A. The *Lady Laurier* has a wireless telegraphy apparatus—

Q. Can you answer yes or no?—A. Do you find it necessary to get advice?

Q. Yes?—A. We are always looking for advice.

Q. You are always looking for advice, I see, and always ready to pay for it?—A. And always ready to pay for it.

Q. I see. Then you pursue a regular salvage business?—A. We do.

Q. Do you do that in conjunction with anyone else or independently as a business company?—A. The Halifax Salvage Association floated the *Mount Temple*. We are—

Q. Just wait. Does that company transact business independently and on its own account as a well managed company?—A. Yes.

Q. Well manned and well managed, I should say?—A. Well, we think so.

Q. Yes, I have no doubt of it. And you do not need outside assistance in the management of the company?—A. In the management of the operation, no.

Q. No. Then in a word, what advice did you get from Mr. Johnston?—A. We got wireless messages from the ship.

Q. What ship?—A. The *Lady Laurier*.

Q. Oh, the *Lady Laurier*?—A. While Captain Johnston was in charge of that ship.

Q. You knew that that was a government ship?—A. Certainly.

Q. Performing public duties?—A. Yes.

Q. In the interests of the community and of everyone—A. Concerned.

Q. Concerned?—A. Yes.

Q. Yes, I see. Then you got wireless messages from the *Lady Laurier*?—A. We did.

Q. Of course, you do not know who sent them?—A. Yes.

Q. Were you there when they were sent?—A. It was signed by the captain of the ship.

Q. Signed? But you did not know, there is somebody else there whose duty it is to look after the wireless messages?—A. I think there is.

Q. So it is the duty of the staff of officials to give to the public and all interested notices and messages at the earliest possible moment of any emergencies that exist?—A. Not at all.

Q. That is not their duty?—A. Not at all. Captain Johnston—

Q. Just wait, please. Then this message was purported to be sent by Captain Johnston. Have you got the message?—A. I have not.

Q. What was in the message?—A. I don't remember the exact wording of the message, but it was advising us of the position and condition of the *Mount Temple*.

Q. Oh, yes, stating the *Mount Temple* was in trouble?—A. Stating her position and condition, which was of the greatest value to us.

Q. Yes. Had you been there before?—A. No.

Q. Oh, you had not been there. That was to enable you to go up and get the job?—A. That was just the point.

Q. That was just the point, I see. So that there was some work to be done by someone, and the message was sent to you?—A. And he would like us to get that work.

Q. He would like you to get that work, I see?—A. Yes.

Q. Then he is a personal friend, manifestly?—A. Well, I am an acquaintance of Captain Johnston's.

Q. Is it just an ordinary, casual acquaintance, or a matter of personal friendship?—A. Well, I consider I am a friend of his.

Q. Eh?—A. Yes, we will say friendship.

Q. How many other salvage companies are there here?—A. In Halifax?

Q. Yes?—There are other men who do salvage work on a smaller scale.

Q. Who are they?—A. William McFatteridge, Charles Brister, that is all, I think.

Q. And you say they are on quite a small scale?—A. They do salvage operations. They are not on as extensive a scale as the Halifax Association.

Q. So practically you are without serious competition?—A. In large operations.

Q. So there would not be anyone else really to send the message to except your house or your firm. If, as a public official giving notice of distress on the water he had in mind who would attend to the distress and look after it, your firms would be the ones as most prominent ones, best qualified to do the work. Is that right?—A. I presume so.

Q. You presume so, I see. Then you got a wireless message from him. Anything else that you got from him?—A. The members of the Salvage Association got passages to and from the *Mount Temple* on his ship.

Q. To and from the *Mount Temple*?—A. On the government ship.

Q. You are speaking of the Salvage Association, that is your firm, the firm in which you are interested?—A. Yes, the Halifax Salvage Association.

Q. Who were the members of the firm that went up there besides yourself—you went, did you?—A. I went up latterly. My brother looks after the salvage operations. I do more of the office work.

Q. That is your brother Henry?—A. Henry.

Q. Where is he now, please?—A. Down on the eastern shore.

Q. You see, it will be necessary that we should have his evidence, Mr. Beazley, that is quite manifest. Are you in a position to send him word or to give us his address so we can telegraph him?—A. He would have to drive up a hundred miles by coach.

Q. Eh?—A. He would have to come by coach.

Q. When did he go there?—A. He has been away all the summer.

Q. When did he go there last?—A. Oh, I should say three weeks ago.

Q. Oh, I see, three weeks ago. I thought you said he had been there all the summer?—A. He has been away there and elsewhere all the summer, away from Halifax, both of my brothers have been away from Halifax all the summer.

Q. And when was he in Halifax last?—A. About three weeks ago.

Q. I see, the week before last he left, was it not, or was it last week?—A. The week before last, so far as I remember.

Q. That is about three weeks ago. Was it not last week that he left, this last week, was it?—A. You seem to know.

Q. Well, I am asking you now?—A. I say no.

Q. Well, we had three weeks ago and now we have last week. Now I want to know. Mr. Beazley, if you please, because I know you are an exceedingly busy man, and therefore it is necessary to refresh your recollection in the ordinary way, I would like to know now whether it was not this last week?—A. It was about three weeks ago.

Q. So it was not the week before last?—A. About three weeks ago.

Q. Was it the week before last, Mr. Beazley?—A. I beg your pardon?

Q. Was it the week before last?—A. It was about three weeks ago.

Q. But I did not ask you that?—A. I am answering that I remember it was about three weeks ago when he left Halifax.

Q. But you told me after that it was the week before last?—A. Perhaps it was.

Q. Perhaps it was the week before last. Yes. Now then, what day was it of the week in that week?—A. I can remember the day of the week better than I can the week for the reason he went down on the steamer that leaves on Thursday.

Q. What day of the week was it?—A. Thursday, Thursday evening.

Q. Does he live here, is he a married man?—A. He is married.

Q. Oh, then if you cannot recollect the exact time, we will be able to get the information easily?—A. I presume he knows when he went.

Q. I presume somebody in his residence would know?—A. I dare say.

*By Hon. Mr. Cassels:*

Q. What is the steamer he went on?—A. The *Dufferin*.

*By Mr. Watson:*

Q. Then in view of that fact, cannot you help us a little more as to the exact date he left?—A. I can get the information for you if you desire it. You are asking me when he went, and so far as I can recollect it is three weeks ago. I tell you I will get the information.

Q. But the week before last is not three weeks ago?—A. I am not going into details of how long. I tell you three weeks ago as far as I can recollect.

Q. Mr. Beazley, did you not say the week before last?—A. About the time.

Q. Did you say the week before last, Mr. Beazley?—A. About the time my brother went away I told you three weeks ago. I do not answer any other question in connection with the time he went away.

*By Hon. Mr. Cassels:*

Q. You mentioned to Mr. Watson that it was the week before last, first of all you said three weeks ago, then it might have been the week before last?—A. It might have.

Q. Then Thursday was the day he went?—A. The day of the week he went.

Q. That would be a week ago last Thursday. Now, what is your memory of it?—A. I cannot remember whether that date or not.

*By Mr. Watson:*

Q. Then, Mr. Beazley, why do you adhere to it that it was about three weeks ago when you say yourself it may have been a week ago last Thursday?—A. It may have been a week ago and it may have been two weeks ago last Thursday. That is my definite and positive answer.

Q. Will you let me have his address and the name of his wife?—A. Certainly.

Q. If you will kindly let us have that afterwards, before you leave. And when did the other brother leave Halifax last?—A. He has been away from here, I think, since some time towards the end of September.

Q. He has not been here since?—A. He has not been here since. He was here during the last week of the exhibition, which is held, I think, in September.

Q. Yes. But the first one you have spoken of was the one who had personally to do with these transactions in reference to the *Mount Temple*?—A. Well, he was—what part of the transactions do you mean, the floating of the ship?

Q. The chief part?—A. He was there during the whole time on the ship.

Q. And you yourself went up on what date?—A. When we made the first or second?

Q. About what date did you go up?—A. I don't remember.

Q. Was it in April of 1908?—A. No; I think somewhere in March, it was March, I think, we made three—

Q. Just wait, please. March, of 1908, you went up. At that time who was the captain of the *Lady Laurier*?—A. Mr. Travis.

Q. Mr. Travis, I see. How long were you there in March or April of 1908?—A. A day and a night.

Q. Is that the only occasion that you were there during the operations?—A. The only time.

Q. Was there any one else engaged in the operations except your firm with your own ships or tugs, did you do it all?—A. Do you mean we

Q. Was there any other firm?—A. Besides which?

Q. Besides yourselves?—A. Ourselves or the Halifax Salvage Association?

Q. Beazley Brothers and the Halifax Salvage Association?—A. We employed other vessels.

Q. You employed other vessels. Then did your firm have a contract in regard to the *Mount Temple*, Beazley Brothers?—A. We had a contract to get a certain percentage of her salved value.

Q. The firm had, Beazley Brothers?—A. The Association.

Q. I am speaking of Beazley Brothers. Did Beazley Brothers' firm have any interest in the transaction?—A. Certainly, we are interested in the Halifax Salvage Association.

Q. In any other way?—A. Yes, we saved the cargo in the ship before.

Q. That is Beazley Brothers?—A. Yes.

Q. So the two firms were mixed up in the matter?—A. Yes; also mixed up with a third firm. G. S. Campbell & Co. were associated with us in saving the cargo.

Q. So there were three firms interested?—A. Yes.

*By Hon. Mr. Cassels:*

Q. Two in saving the cargo, and one, the Halifax Salvage Association, in saving the ship. The association had nothing to do with the cargo?—A. Nothing whatever.

*By Mr. Watson:*

Q. Are you and your firm the parties chiefly interested in the Halifax Salvage Association?—A. Yes.

Q. Who are the others interested in that?—A. S. M. Brookfield & Son, and G. S. Campbell & Co.

Q. Just those?—A. And ourselves.

Q. In March then, you did not see Captain Johnston up there?—A. I did not see Captain Johnston nor was the *Lady Laurier* there.

Q. Then what else did Captain Johnston do except to send you the wireless message in connection with the *Mount Temple*?—A. When the *Mount Temple* was floated she was brought for safety over night into Lunenburg.

Q. That would be in April?—A. In April.

Q. When the *Mount Temple* was floated?—A. Yes.

Q. The *Mount Temple* was brought to Lunenburg?—A. Yes, and we asked, she was in a very dangerous condition, and we asked Captain Johnston to have the *Lady Laurier* accompany the *Mount Temple* with the tugs that were towing her from Lunenburg to Halifax.

Q. From Lunenburg to Halifax, you asked Captain Johnston to accompany you. But he was then inspector of lights?—A. In charge of the ship.

Q. In charge of the ship?—A. I think so.

Q. But Captain Travis was in charge?—A. He was captain of the ship, but he had a superior officer in Captain Johnston.

Q. I thought he was inspector of lights?—A. Yes, yes I understand it. In charge of both ships so far as I know.

Q. So you understand he did not resign as captain, it was just a promotion above captain, he was still in charge of the ship?—A. I understood he resigned active command of the ships, but still the two ships were still in his charge.

Q. Subject to his direction?—A. Subject to his direction if he was promoted.

Q. Then who is the chief agent here at this place, what duties do you think he would have?—A. I have no idea.

Q. No idea?—A. I have an idea, Mr. J. F. L. Parsons, but his respective duties compared with Captain Johnston's I know nothing about. I have been told that the *Lady Laurier* and the other ship were under Captain Johnston.

Q. So that Mr. Parsons had nothing to do with them?—A. I don't know whether he has or not.

Q. So far as you know?—A. So far as I know.

Q. I thought that was a material part of the chief agent's business?—A. I know nothing about that.

Q. Then you say in April you asked Captain Johnston to send the *Lady Laurier* up to Lunenburg to come along with the *Mount Temple* to Halifax. Is that right?—A. That is right.

Q. How long did that take the *Lady Laurier*, about?—A. I should say fifteen to eighteen hours.

Q. Fifteen to eighteen hours. The *Lady Laurier*, of course, is well manned, it has a crew, officers and staff. Is that right?—A. She has a crew and officers and is well manned so far as I know.

Q. Yes. How much did you pay the government for the use of the *Lady Laurier* on that occasion—anything?—A. We followed a precedent.

Q. Anything?—A. We pay—

Q. I am not talking about precedents.

Hon. Mr. CASSELS.—Say yes or no.

*By Mr. Watson:*

Q. How much, if anything, did you pay the government for the use of the *Lady Laurier* on that occasion?—A. Nothing. Now in explanation—

Q. Wait, please. I will give you a chance to explain afterwards. I just want to get out a few facts first and I will give you full opportunity to explain. You paid nothing for the use of the *Lady Laurier* on that occasion, she was engaged fifteen or eighteen hours with the men and crew. Then did Mr. Parsons, to your knowledge, become aware of the fact of the use that had been given to you of the *Lady Laurier* on that occasion?—A. I don't know whether he knew or not.

Q. Did Mr. Tremaine become aware of the fact of your use of the *Lady Laurier*?—A. I don't know.

Q. Did you get a letter from Captain Johnston at that time?—A. No.

Q. Who applied to him for the use of the *Lady Laurier*, you or your brother?—A. A member of the firm of C. S. Campbell & Co., and myself suggested that he send the *Lady Laurier*.

Q. To him?—A. To Captain Johnston.

Q. So that you saw him. Where did you see him?—A. In our office.

Q. Oh, I see, in your office. How did he happen to be in your office at that time?—A. He goes to the office quite frequently.

Q. Every day or so?—A. I won't say every day. He is away from Halifax.

Q. Every day he is in town?—A. Not at all. Occasionally, I said.

Q. I am trying to find out how much that occasionally is. Is that once a day?—A. No.

Q. Once every other day?—A. No.

Q. How often?—A. Once in two weeks, or so.

Q. Once in two weeks?—A. Once a week or once in two weeks.

Q. So it was just incidental, this was brought about at that time quite casually?—A. I did not say that.

Q. Did you send for him to come to the office?—A. Perhaps I did, I don't remember.

Q. And while there was the bargain made for the hundred dollars paid to him?—A. Well, I am still waiting an opportunity of explaining.

Q. You will have an opportunity. While he was there at that time was the bargain made for payment to him of the hundred dollars?—A. No.

Q. It was not, I see. Then when was the hundred dollars paid to him?—A. After the ship was floated.

Q. After the ship was floated? Have you got the cheque itself? I have got the stub here, see if you have the cheque. Now, where was he when the cheque was given to him?—A. I don't know, I was not there.

Q. That was your brother, I see. The cheque was given to him, or at least the payment was made to him of a hundred dollars, you said, in the commencement, for advice. Was that answer correct?—A. I will answer that when I am given an opportunity to explain.

Q. Just answer this, meantime, please. Was your previous answer that the payment was made to him for advice correct?—A. My lord, if I am to explain this position I would—

*By Hon. Mr. Cassels:*

Q. You can answer Mr. Watson whether what you stated before was correct or whether you want to add something to it?—A. I want to add something to it.

*By Mr. Watson:*

Q. Well, you recollect saying quite distinctly that it was for advice, do you not?—A. Eh?

Q. Do you not recollect that?—A. The full amount he got was for advice.

Q. \$100?—A. I did not say that.

Q. Did he get more in connection with the *Mount Temple*?—A. He did.

Q. How much did he get in connection with the *Mount Temple*?—A. Four hundred dollars.

Q. Four hundred dollars in connection with the *Mount Temple*. I see. Then why did you not tell me that before?—A. You knew it before.

Q. Why did you not tell me that as a witness? Of course I knew it, that is what I am here for. I know many things that you have not told me, as you would anticipate. Why did you not tell me before that you had paid him four hundred dollars?—A. You asked me to hunt up the account of one hundred dollars.

Q. That is the reason?—A. That is my reason.

Q. All right, that may be a very good reason. Then when did you pay him the other three hundred dollars in respect to the *Mount Temple*?—A. Well, we—

Q. What date, please?—A. The date that he is credited with a hundred dollars on this book, that is to say—

Q. Let me see the cheque for the other three hundred dollars?—A. The cheque was not drawn in our office, it was paid from the agency of the Halifax Association.

Q. Eh?—A. It did not come from our office.

Q. Oh, that is your right hand, I suppose?—A. Not at all.

Q. That is the other firm?—A. It came from another office.

Q. Another office, that is all right?—A. The agents of the Halifax Salvage Association paid Captain Johnston four hundred dollars as a reward for his advice in connection with the *Mount Temple*.

Q. Oh, I see, as a reward for his advice. It was not for sending the message?—A. This one hundred dollars that you refer to was a loan to Captain Johnston by my brother in my absence. When the four hundred dollars was paid to Captain Johnston through the Halifax Salvage Association, we deducted the hundred dollars that my brother loaned him from the \$400 for the service. That is the story.

Q. I see. So the Halifax Salvage Association paid to your firm the four hundred dollars and then you deducted out of it the \$100 that you had paid on account and gave him the balance. Is that right?—A. That is right.

*By Hon. Mr. Cassels:*

Q. Mr. Beazley, it seems to me it would be better to tell the exact facts as they

are. You have gone down in evidence repeatedly as saying that the hundred dollars was a gift for advice given by him?—A. Well—

Q. That has gone down over and over again. Now you have changed that entirely and say you paid it as a loan?—A. I thought it was understood.

Q. You will see when it is written out whether it is understood or not. Just tell the facts. I understand that your second statement is it was a personal loan and then deducted from the four hundred dollars?

*By Mr. Watson:*

Q. The first was a loan. Now, do you wish to qualify that in any way that it was a loan?—A. Well, Captain Johnston—

Q. Just answer the question, please. Then we will get on. Do you wish to make any qualification of the statement?—A. I don't know that I do.

Q. Did you expect to get it back?—A. Certainly.

Q. From him?—A. Captain Johnston.

Q. The hundred dollars?—A. The hundred dollars.

Q. Did you expect he would pay you back in any event?—A. No.

Q. No, you did not?—A. I expected to take it out of the amount we thought of giving to him and others for their connection with the *Mount Temple*.

Q. Oh, I see. Then you call that a loan, do you?—A. You can call it what you like.

Q. I am asking you. I understand you are an exceedingly accurate business man?—A. You flatter me.

Q. That is the reason I ask you, do you call it a loan?—A. It is so on our books.

Q. I see, it is so on your books. Is the entry in your books correct or not?—A. The entries in our books are correct.

Q. And it is correct to call it a loan?—A. That is what it is called.

Q. I know it is called that. If you will just kindly listen to the question each time we shall get on better. Is it correctly called a loan? You have told me the facts, that you had previously agreed he should have four hundred dollars, this was an advance on account of the four hundred dollars, you were recouped that one hundred dollars by the Halifax Salvage Association, the right hand of the firm?—A. That is practically what it means.

Q. Is it correct then to call that a loan to Mr. Johnston?—A. Well, the bookkeeper so entered it in the books.

*By Hon. Mr. Cassels:*

Q. You can answer the question, witness. Give us the facts. Speak the truth and tell us the facts?—A. I am speaking the truth, my lord, I am speaking of anything on the books.

Q. You are speaking from the books?—A. I do not propose to speak anything but the truth.

Q. I hope not. Do not speak from the books.

*By Mr. Watson:*

Q. Then is it correctly entered as a loan?—A. Let me see the book, please?

Q. Now, then, Mr. Beazley, your observation to me just now was that this was haggling over nothing. Do you think it is haggling over nothing. Whose writing is that 'loan'?—A. That is the bookkeeper's.

Q. The bookkeeper's. Is that not your writing?—A. The bookkeeper, yes sir. That writing is my brother's.

Q. And when your brother wrote it out he wrote 'Captain P. C. Johnston, \$100'?—A. Yes, sir.

Q. Nothing else than that. He did not write there 'loan'?—A. No.

Q. When did the bookkeeper put in the writing there 'loan' in pencil?—A. I don't know. The amount entered on the cash book is put there by the bookkeeper, copied from that as a loan.

Q. Let us see the cash book?—A. And I presume he put that there in pencil to correspond with his entry on the book.

Q. Then of course you recognize now it was quite in error at the time to designate it as a loan?—A. You call it so if you wish.

Q. It is not as I wish; it as you say in evidence. It was quite incorrect to designate it as a loan, was it not?—A. It would seem that way.

Q. It would seem that way, I see. What motive or purpose was there in giving a wrong appearance to the entry?—A. There was no wrong appearance given to the entry.

Q. There was no wrong appearance given to the entry? What motive or purpose was there in describing it as a loan when, according to what you say, it was not a loan, can you answer?—A. The amount was given to Captain Johnston, the \$100.

Q. I did not ask you that. I am not dealing with that. What motive or purpose was there for describing it in the books as a loan when it was not a loan?—A. I don't see but that is immaterial whether described as a loan or not.

Q. I see, immaterial. Is that your only answer?—A. That is my only answer. I don't see what difference it makes how it was described in the books. It was there in plain figures.

Hon. Mr. CASSELS.—What the witness said is simply this: There was an arrangement, or what appeared to be an arrangement, by which Captain Johnston was to get \$400, which was to be paid by the wrecking company. Meanwhile they gave him the \$100, which, if the wrecking company gave \$400, would be deducted out of it?—A. That is right, my lord.

Q. But if the wrecking company did not pay you were to get it back, that is what I understand?—A. Not at all. If the wrecking company had not paid anything we would have collected the hundred dollars from Captain Johnston.

Q. You say so?—A. He would have paid us back the money.

Mr. WATSON.—I see.

Q. To what extent are you interested in the Halifax Company, two-thirds or three-fourths?—A. If you must know, one-third.

Q. Well, then, have you any knowledge when the four hundred dollars was paid to him?—A. Yes.

Q. When?—A. The date the hundred dollars was credited. (Refers to book.)

Q. When was it paid to him—October 29 of this year—that is the time the four hundred dollars was paid by the Halifax Company?—A. Yes.

Q. Was that paid, do you know, to your firm?—A. A cheque was sent to our office.

Q. Payable to the order of your firm?—A. I don't remember. It seems to me the cheque was made payable to cash, I won't be sure about that.

Q. I see, the cheque was made payable to cash?—A. It might possibly have been made payable to our order, I am not sure of that.

Q. Who is the manager of the Halifax Company?—A. The Halifax Salvage Association?

Q. Yes.—A. The agents are G. S. Campbell & Co.

Q. Who have the books of that company?—A. G. S. Campbell & Co., in the tug boat office.

Q. And who is the person in charge of the books, the individual?—A. I would say W. S. Davidson.

Q. Then that cheque for \$400 was signed by whom, by someone in your office?—A. No, it was signed in the office of G. S. Campbell & Co.

Q. I see. Have you or your brothers power to sign cheques for the Halifax Company?—A. No.

Q. Then that cheque for \$400 I suppose was deposited to your firm's credit. Let me see the entry of that in the cash-book.—A. No, I think not. I think what happened is this, the cheque was cashed and the remaining \$300 paid to Captain Johnston.

Q. In cash?—In cash, I think so.

Q. I see, paid over in cash to him, the remaining \$300. Is there any entry in the books of your company?—A. Not any.

Q. You have looked to make quite sure?—A. Yes, there is no entry.

Q. Then the three hundred dollars was paid in cash to him, so that Captain Johnston got \$400?—In all.

Q. In all. Three hundred dollars on October 29th, 1908, and one hundred dollars on April 23rd, 1908. And was that for advice?—A. Yes.

Q. That was for advice?—A. We considered we had a list of people to whom we made presents, as is customary, for advice. The captain of the *Mount Temple*, we included him by paying him some four hundred dollars.

Q. The captain of the *Mount Temple*, that was the ship you floated?—A. Yes.

Q. And I suppose you got a very large sum?—A. He was of no service to us except in salvage operations of this kind it is customary to reward all men connected.

Q. To reward everybody in sight?—A. To reward all men that you might think of any service or who gave any advice or anything of that sort, even a—

Q. Supposing I was here practising law in Halifax and able to send you a message from somewhere that there was a ship in distress, you would send me a cheque shortly afterwards, would you?—A. If we thought that advice was of any service to us we certainly would.

Q. I see. So that this four hundred dollars was just for advice, is that right?—A. Just for advice and—

Q. Yes.—A. And in view of the fact that the *Lady Laurier* accompanied the ship from Lunenburg to Halifax.

Q. Oh, did Captain Johnston pay the expenses of the ship on that occasion?—A. I couldn't say, but I know the *Lady Laurier* with Captain Johnston on board rendering the same service to another ship, the *Hestia*.

*By Hon. Mr. Cassels:*

Q. Had he not taken men to the wrecking boat on some occasions on the *Lady Laurier*?—A. He did when the ship first went on shore.

*By Mr. Watson:*

Q. Then at that time you knew Captain Johnston was in the employ of the department?—A. I certainly did.

Q. Getting a salary or income of \$1,600 or about that?—A. I didn't know what his salary was.

Q. You knew it was about that, did you?—A. I had an idea it was about that. I never inquired what he was getting.

Q. But he said he was quite a personal friend of yours. Now then, that was four hundred dollars. Tell me again in a word what did he do for that four hundred dollars?—A. I have already told you.

Q. Tell me again if you please?—A. That he gave information that the ship was on shore, he gave information as to her location, position and condition. We took passage by the *Lady Laurier* in his subsequent visits to that ship, the members of the Salvage Association. He rendered in that way alone more service to us than the Captain of the *Mount Temple* and at the same time we gave him four hundred dollars.

Hon. Mr. CASSELS.—Leave the captain of the *Mount Temple* out.

*By Mr. Watson:*

Q. Now then in what capacity was he acting when he was carrying you backwards and forwards to the *Mount Temple*?—A. Well, I presume he was acting under the instructions of his department.

Q. I see, under the instructions of his department?—A. I presume so.

Q. Acting then as a departmental officer paid for the performance of his duty?—A. At that time he was in charge of the ship in the first stages of her stranding.

Q. Sometime in December. I am inclined to think you are mistaken.—A. I am not quite clear of the dates.

Q. I thought not. So now I want to know what did he do outside of his duty as an official of the Department, if anything?—A. He was always willing to offer suggestions and advice as to the means of floating the ship.

Q. I am speaking of this particular matter of this particular *Mount Temple*?—A. I am speaking about the *Mount Temple* too.

Q. What did he do outside of his duty as a Departmental officer?—A. He was always willing—

Q. Give what he did?—A. I say he was willing to offer suggestions.

Q. I am not asking what he was willing to do I am asking what he did?—A. Offer suggestions.

Q. I thought we had it before he sent a wireless message?—A. He had left the ship in the meantime.

Q. And he was here in the Inspector's office?—A. Yes.

Q. I see. So that was four hundred dollars?—A. That was four hundred dollars.

Q. Did you inform Mr. Parsons of the fact that you had paid his subordinate four hundred dollars?—A. I did not.

Q. Mr. Tremaine?—A. I did not.

Q. The Deputy Minister or any Departmental officer?—A. No official of the Department whatever.

Q. No official of the Department whatever was informed about it, I see. Were your men on board the *Lady Laurier* for much of the time?—A. During which?

Q. During the time of the *Mount Temple*?—A. Not the *Mount Temple*, no.

Q. Just carried backwards and forwards. Were you boarding there?—A. I would not say the men, I would say on one or two occasions the officers of the Halifax Salvage Association I think went on the ship to the wreck, took passage there.

Q. Was anything paid to the Department in respect to that matter?—A. Not to my knowledge.

Q. Not to your knowledge I see. And you did not inform the Department at Ottawa or here that the services had been rendered to you by the *Lady Laurier*?—A. No, I said we did not.

Q. Then what other payment did you make to Captain Johnston? When?—A. We paid him one hundred dollars on account.

Q. When was it?—A. On account of advice given in 1906.

Q. Advice given in 1906?—A. Advice, yes.

Q. Let us see the record of the payment?—A. (Looks up record.)

Q. 'June 23rd, 1906, Captain Johnston re *Hestia* account, one hundred dollars. That is right, it is?—A. That is right.

Q. Who wrote out that cheque?—A. I did.

Q. Have you got the cheque?—A. Let me see the cheque, please, the two cheques. Do you know where that cheque is of 23rd of June, 1906?—A. I never saw it since it was given out.

Q. I see the cheque dated 23rd of April 1908 is just made payable to bearer. How does that come when you were giving it to Captain Johnston as a loan?—A. I could not say. That was given by my brother. You will have to ask him.

(Cheque marked Exhibit 380.)

Q. And this was written out by you on the 23rd of June 1906. Can you find that cheque?—A. I will look for it.

Q. You say you have no cheques for 1906?—A. No.

Q. Where are they?—A. I presume they are destroyed. We could not find them in the office on Saturday.

Q. You presume they are destroyed?—A. Yes.

Q. Why would that be so?—A. I guess they have outgrown their usefulness so far as we are concerned.

Q. That is a guess apparently. Will you try and guess again. You see when you say you guess I am entitled to another guess, am I not? What is the next guess about it?—A. So far as we know they are destroyed.

Q. Well, when were they destroyed?—A. I have no notion, no idea.

Q. No notion. Why do you say they were destroyed?—A. Put in the waste basket if you will.

Q. Why do you say they were destroyed if you have no notion? Why Mr. Beazley, what reasons have you for saying they were destroyed?—A. Well, they were either destroyed or stolen or lost or put in the waste basket. I don't know just what answer you want me to give.

*By Hon. Mr. Cassels :*

Q. Have you searched for them?—A. We have searched for them and are unable to find them.

*By Mr. Watson :*

Q. Who have searched for them?—A. The book-keeper and myself.

Q. You have searched?—A. I searched for them on Saturday. You asked me to bring them here. We searched and were unable to find them.

Q. Where did you search?—A. In the north-west corner in the south-east corner, all the corners.

Q. That is what I thought. You do not keep them in the north-west corner and the south-east corner, do you?—A. Sometimes.

Q. I see, it depends on which way the wind blows?—A. I suppose if I got sarcastic you would be offended.

Q. You say you looked in the corners?—A. We searched for the cheques in all places in which we thought they might be and failed to find them.

Q. Where did you look for them?—A. In the office.

Q. What place?—A. Anywhere we thought they might exist, anywhere they might be.

Q. Mention one place?—A. In the book case.

Q. In the book case, yes, any other place?—A. Drawers, shelves, any place we thought they might be. That is my answer.

Q. That is your answer. You have not mentioned the vault?—A. We have a safe; it is only large enough to hold the books.

Q. You have not mentioned the safe?—A. We did not look there because we knew they were not there.

Q. I see.—A. The safe is not large enough to hold valuable papers, much less waste paper.

Q. Waste paper, yes. And then have you any recollection of their being destroyed?—A. Not any.

Q. Not any?—A. Not any.

Q. Have you any recollection of giving instructions to have them destroyed?—A. Not any; I never give instructions.

Q. Before Saturday had you any knowledge they had been destroyed?—A. No. As a matter of fact I was surprised when I went back to find we did not have them.

Q. I see. Then perhaps your brother can account for them?—A. Not at all.

Q. Who can account for them?—A. Nobody.

Q. Not even the book-keeper?—A. You can ask him if you wish. I did not instruct him to destroy them, and he helped me to search for them, so you can draw your own inference.

Q. Yes. Then as a matter of fact you think it would be a surprise to everyone that they had been destroyed or that they had disappeared?—A. I was surprised.

Q. You think it would be a surprise to everyone?—A. Who do you mean by everyone?

Q. Everyone in your business?—A. Not at all, they are not interested in them.

Q. Not interested? I want to find out whether any custom or system existed, apparently there was not. Then that one hundred dollars was taken. Where was he when he got the one hundred dollars for the *Hestia*?—A. As far as I remember he was in our office.

Q. You cannot quite recall it?—A. I cannot recall the circumstances.

Q. Then did he send you a message as to the *Hestia*?—A. He did.

Q. Who performed the work in saving the *Hestia*, your firm?—A. The firm of Beazley Brothers, assisted in the floating of her. The agents of the boats employed people to different sorts of work, different kinds of work.

Q. I see. They employed different people?—A. To do different work.

Q. That is different firms?—A. Yes. We were employed to supply a lighter and do some diving, and they employed some other divers independently of us.

Q. That was in floating the vessel?—A. In floating the vessel.

Q. So that your firm did the chief work, practically the whole work in the floating?—A. I want to say that we assisted.

Q. Well, what other firm here?—A. We did the water work.

Q. What other firm here?—A. G. S. Campbell & Co., The Tug Boat Company.

Q. What?—A. G. S. Campbell & Co., the Tug Boat Company. That is called the Tug Boat Company?—A. Yes.

Q. What other firms?—A. They had other divers employed.

Q. I beg your pardon?—A. I think they had the Dominion Coal Company's tug, *Douglas H. Thomas*, employed.

Q. What company is that?—A. The Dominion Coal Company.

Q. So that at all events, the work performed by your company, Mr. Campbell's company and the tug of the Dominion Company?—A. Under directions of the agent of the Donaldson Line.

Q. And did that floating comprise the whole of the work that was done?—A. On the *Hestia*.

Q. Yes. A. Well, I don't just—,

Q. Was there anything else done in the way of service?—A. A lot of cargo was handled.

Q. And who did that, Beazley Brothers?—A. All the parties interested.

Q. And I suppose that was paid for by the owners of the *Hestia* to your company?—A. Yes.

Q. And to the others?—A. Yes.

Q. A considerably large payment made. Would you have any objection—I think it is your privilege if you have—would you have any objection to state how much you received from the owners of the *Hestia* for the services performed?—A. Not any. I will tell you as far as I can remember, that is about all I can do.

Q. Certainly. A. About three thousand five hundred dollars I should say.

Q. Your firm received from the owners of the *Hestia*?—A. From the agents of the *Hestia*.

Q. That is representing the owners, of course?—A. Yes.

Q. And the other firms will be paid about the same sum?—A. I don't know about that.

Q. What did you say to Mr. Johnston when you paid him the hundred dollars?—A. I don't remember what I said to him.

Q. I see. How much else did Mr. Johnston receive in connection with the *Hestia*?—A. I don't know.

Q. Have you any knowledge or information?—A. I—if my memory serves me right I recall his stating to me he received from the agents four hundred and fifty dollars.

Q. Received from the agents four hundred and fifty dollars, I see. That is in 1906. The agents for the *Hestia*—what is their name?—A. Pickford & Black.

Q. Pickford and Black, four hundred and fifty dollars. And how much did he receive?—A. I don't know.

Q. Did he tell you he had been paid fifteen hundred dollars or a thousand dollars?—A. I have no recollection of such a statement.

Q. No recollection of it, I see. Did you inform the Department at Ottawa or any of the Departmental officers here that you had paid him the hundred dollars?—A. No.

Q. Or that you were aware that you had been told by him that he had received five hundred and fifty dollars from the agents?—A. I said four hundred and fifty dollars.

Q. I beg your pardon. Five hundred and fifty dollars I thought you said. Now then just tell me in a word again what services he performed for the hundred dollars that you gave him?—A. He sent us a wireless message.

Q. Yes, sent you a wireless message?—A. To say that he had this ship in a sinking condition in tow.

Q. From the *Lady Laurier*?—A. From the *Lady Laurier*. That he was towing her towards Shelburne. That information was of the greatest value, it enabled us to get into communication with the agents or underwriters of the ship.

Q. That was the first information?—A. That was the first information.

Q. He put you on the contract. What other service?—A. The *Hestia* was towed inside in a place of shelter in the entrance to the harbour, and she there settled down on the bottom, so that there was no accommodation for two or three days for the men that had to work on the job.

Q. No accommodation for your men?—A. Not for our men. There was accommodation among the tow-boats, that is accommodation this way, you could lie on the floor; but I was offered a berth for two or three nights on the *Lady Laurier*. That, together with the information we got, the advice we got as to the vessel's condition, warranted us in giving him the one hundred dollars.

Q. I see. So that you were paying for the wireless message and information?—A. For the advice and information.

Q. Well, that is contained in the wireless message?—A. Yes.

And for the berth on the *Lady Laurier* for how many nights, one or two nights?—A. I think two nights, if I mistake not, until the *Hestia* was in a fit condition to live on board of.

Q. A berth on the *Lady Laurier* for two nights?—A. I won't be sure about the number.

Q. That covers what you got, for which you gave the one hundred dollars, does it?—A. I think so.

Q. How much did you pay to the government for that?—A. Nothing. The government charged the agents of the ship nothing for the use of the steamer.

Q. Charged nothing?—A. Not a cent.

Q. They had no idea of charging anything?—A. She remained alongside the ship for eight or ten days, and they charged nothing. That is why I presume—

Q. How does that come, she remained in charge ten days?—A. She was there under instructions of the department, that is why—

Q. At your request?—A. Not at all. That is why I presumed in the case of the *Mount Temple* they could not charge us for the use of the *Lady Laurier* in one case where the captain of the *Lady Laurier* remained alongside the *Hestia* for a space of eight or ten days, I want to justify myself in thinking they were not going to charge.

Q. Not going to charge?—A. You understand that, I suppose?

Q. I understand what you say, at least I hear what you say. That is the justification, is it, for paying a departmental officer these sums of money?—A. Yes.

Q. Now you have given your full justification?—A. Justification in each case. But the two cases were separate. We paid Captain Johnston one hundred dollars in the case of the *Hestia* because he rendered us this service, he gave us this advice.

Q. Well, you have told what he did?—A. In the case of the *Mount Temple* there was a very much larger amount involved, and we always pay in these salvage operations in proportion to the amount we receive ourselves.

Q. I see. Then how many other payments have you made to Captain Johnston?  
—A. At no other times.

Q. At no other times?—A. No other times.

Q. I mean in connection with the same class—A. In connection with nothing.

Q. In connection with the same class of work—Let us confine ourselves to that just now—the same kind of advice?—A. Those two cases you have are all I know of.

Q. Those two cases are all, I see. Did you have any correspondence with the Department about it?—A. About which?

Q. About what we have been discussing, what you have been giving evidence about?—A. Well, I don't just understand the question.

Q. Don't you? About these payments to Captain Johnston?—A. No, I never had any correspondence.

Q. With Ottawa about it?—A. No.

Q. Did you ever have any discussion with Mr. Parsons about it?—A. Not any.

Q. Or Mr. Tremaine about it?—A. Not any.

Q. Or with any one else in the Department?—A. No.

Q. Mr. Mitchell, Mr. Macnamara?—A. Not any.

Q. Or Mr. Baker?—A. No.

Q. Eh?—A. No. I said not with anyone.

Q. I see. Then, of course he could in that way as an official give information and have very large sources of income. Of course, I suppose he gives other information to others in the same way?—A. I don't know about that, but these cases happen so seldom that he would not get rich very quick.

Q. I see, they happen so seldom. Now then, the *Lady Laurier* did not perform any services, as I understand, for which the Department was entitled to be paid?—A. Would you just say that again?

Q. Did the *Lady Laurier* perform any services for which the Department was entitled to be paid?—A. The service which she performed on the *Hestia* the Department saw fit to make no charge for, and we presumed it would be the same in the case of the *Mount Temple*. They were—

Q. Then did any official of the *Lady Laurier* perform any services for which he was entitled to be paid by you?—A. Well, I have already told you that the captain of the *Lady Laurier* sent us the message.

Q. But just attend to the question. Did any official, as an official, perform any services for which he was entitled to be paid by you?—A. Not any.

Q. Not any?—A. Not any. We were quite independent of each other.

Q. So you distinguish between Captain Johnston as an individual sending a wireless message from the *Lady Laurier* and Captain Johnston as captain of the *Lady Laurier*, you distinguished between the two positions: Is that right?—A. I don't just see the drift of it.

Q. You don't just see the drift of it; meantime can you answer it and leave the drift follow? A. I will not attempt to answer it until I understand the question.

Q. You do not understand it?—A. No, I do not understand it.

Q. Then, we will pass it by as something not understood in the meantime?—A. Very good.

Q. Now, did you know anything about the correspondence between the Department and Mr. Donaldson of Glasgow?—A. I did not know anything about it.

Q. Did you hear about it?—A. I heard there was correspondence.

Q. When did you hear it?—A. I heard it at the time the ship was stranded.

Q. At the time the ship was stranded?—A. Yes.

Q. That is the time. Now I find in the original file of the Department bearing upon this matter that first on the 17th May, 1907, there is a letter from Robert Redford & Company of Montreal to Colonel Gourdeau as Deputy Minister saying:—"Referring to claim of the *Lady Laurier* for services rendered the steamship *Hestia*, we wrote you in regard to this matter on the 26th of February last and do not appear to have received any reply to this letter. However, Mr. A. F. Donaldson of Glasgow writes that your Department have written him in regard to the matter, and as he

has already placed this matter in our hands for settlement, present is to advise you that we would be pleased at any time to take up the question with you as per our instructions from Messrs. Donaldson Brothers." Apparently then the *Lady Laurier* was making a claim?—A. It would appear that way from that.

Q. And then noted upon that by the deputy minister is 'I have seen Mr. Reford about this claim and asked him to let it stand until he could discuss the question with the minister. I do not see how we could claim the amount until the extraordinary action of Captain Johnston has been dealt with, who claimed and was paid to himself and crew the sum of fifteen hundred dollars, which action has no precedent in the department.' Then it appears that Captain Johnston got fifteen hundred dollars at that time according to this statement signed by Mr. Gourdeau. Now you were in close touch with the matter, did you hear about this?—A. No, that is all news to me.

Q. But you said you heard they were making a claim?—A. I heard at the time the department was going to make a claim.

Q. Was making a claim?—A. About the time the letter was written.

Q. This was May, 1907. But I understood you to say earlier in evidence that the government made no claim and that was the reason why you took the course you did with the *Mount Temple*?—A. Exactly, that is what I said.

Q. Here they apparently are making a claim?—A. Whatever the department might have made they got nothing for the services of the ship.

Q. They made a claim and got nothing. That is what you mean, is it?—A. That is what I mean.

Q. That is the reason, because they got nothing is the reason you did not pay them anything in the *Mount Temple* matter, I see. Apparently you will see from this letter the department in May, 1907, was aware that Captain Johnston had received fifteen hundred dollars in the way that was mentioned. Has he been continuously in the service from that time forward?—A. In the service of the—

Q. Department?—A. I think he has.

Q. Have you personal knowledge, living here, whether or not he was ever suspended or dismissed from the service?—A. I never heard of his being suspended.

Q. Or dismissed?—A. Or dismissed.

Q. On the other hand, apparently after that time he was promoted, as you say, you speak of him now as having an office superior to that of captain. Is that right?—A. He was given the position of light inspector. Whether that is promotion or not I don't know.

Q. You spoke of him a little while ago as being superior to the captain?—A. I would say he was.

Q. Now, then. I find on the 21st of May following upon that is a letter from Colonel Gourdeau to Robert Reford & Co.

(Reads letter part of file subsequently marked Exhibit 381.) And Mr. Donaldson's letter of the 8th of May which was enclosed, is as follows; (Reads letter part of same exhibit.) Then following up that apparently—it is not following either, but on the 25th of April, not quite in order, is this letter from Colonel Gourdeau to Mr. Donaldson. (Reads letter part of same exhibit.) Then we find here a letter written by the deputy to Mr. Donaldson, Glasgow, this is dated 19th of February, they are not quite in order. (Reads letter concluding, 'The work on which the *Lady Laurier* is employed, including wages, provisions and coal, is considered worth four hundred dollars per day.') (Part of same exhibit.) Have you any knowledge of that?—A. I would say that is about right.

Q. That is about right, four hundred dollars a day. And you used it in connection with the other boat, the *Mount Temple*, for how many hours, fifteen or eighteen hours was it?—A. I should say from fifteen to eighteen hours.

Q. Then it says later, 'It is true that the Salvage Association of London paid the sum of one thousand dollars and Messrs. Pickford and Black five hundred and fifty dollars to Captain Johnston and crew, but this had nothing whatever to do with the claim which the department has against you as owner of the *Hestia* for the use of

the steamer *Lady Laurier* and the delay and expense which the department was put to for wages, fuel, provisions and loss of service. Be good enough to give this matter your consideration and forward a draft to me for the sum of \$3,600 in payment of the department's claim against the *Hestia* for the service rendered.' Now then, Mr. Beazley, had you knowledge of that?—A. I had not.

Q. You had not any knowledge of it?—A. No.

Q. So Mr. Gourdeau states there that it was true that Captain Johnston had received one thousand dollars—that does not refer to what he got from you, of course—and five hundred and fifty dollars for himself and crew from Pickford & Black. Do you know how much any member of the crew got, or if any member of the crew got anything?—A. I don't know.

Q. Then I see on January 10, 1907—that precedes it—there is this letter written by Mr. Newcombe, Deputy Minister of Justice, to the Deputy Minister of Marine and Fisheries. (Reads letter, part of exhibit 381.) Then there is a letter on January 18, 1907, from Mr. Parsons to the deputy minister. (Reads letter, part of same exhibit.) Then the letter he refers to that he wrote to Messrs. Pickford & Black is as follows my lord. (Reads letter, part of same exhibit.) Messrs. Pickford & Black wrote in answer. (Reads letter, part of same exhibit.) Then there is a letter from Mr. Gourdeau to the agent of the department as follows. (Reads letter, part of exhibit 381.) Have you any knowledge, Mr. Beazley, whether Captain Johnston ever refunded the money to the department?—A. I have no knowledge whatever.

Or refunded it to the people—the owners of the *Hestia*?—A. I don't know.

Q. Now then, the whole subject being before your lordship as commiissioner here, I find endorsed upon that original memorandum, which I have last read, this further statement:—'You may make—and the statement is over the initials of the minister of the department, my lord—'You may make the claim against Pickford & Black, and we do not recognize as part of what is due to the department the amount that was paid to Captain Johnston—it is either 'without' or 'against,' I cannot make out which—the authorization of the department.—L.P.B.' Then there is also endorsed, 'Commander Spain to prepare letter.' Now, I find at the same time another memorandum which was prepared by the deputy, which is in the files produced by the department, my lord, for the purpose of the investigation. This reads as follows. (Reads memorandum beginning 'This is the most extraordinary case that has come under my notice since I have been in the department.' Part of same exhibit.)

Hon. Mr. CASSELS.—Whose memorandum is that?

Mr. WATSON.—That is a memorandum by the deputy minister, my lord. It appears upon its face with an official number as a memorandum for the minister from the deputy minister, Ottawa, 14th December, 1906. Preceding that is a letter of 8th December, written by Mr. Parsons, saying. (Reads letter, part of exhibit 381.) The letter from Captain Johnston—I need not read the others, perhaps, but it is proper, I think, I should read this. This is dated December 6. (Reads letter, part of same exhibit.) Then, my lord, there is a letter written by Mr. Tremaine to the deputy minister on the 20th November, 1906, saying. (Reads letter, part of same exhibit.) And then the letter from Pickford & Black of November 19 to Mr. Tremaine was. (Reads letter, part of same exhibit.)

There is a good deal of other correspondence with regard to the claim, and in connection with this, my lord, it is part of the whole subject-matter and given to us as such by the department.

Q. It does not appear that any reference is made to the payments by you or your firm, Mr. Beazley, in respect to the *Hestia*. While this was going on you knew more or less of it, of course?—A. Of which, that correspondence?

Q. Yes?—A. I would know nothing of it.

Q. You heard something of it from Mr. Tremaine and others?—A. I heard Mr. Tremaine say nothing about it. I heard from time to time that correspondence was going on.

Q. That is what I mean, from whom did you hear that?—A. Principally from Pickford & Black's firm.

Q. Well, in that way you were more or less in touch with it?—A. I was not in touch with it.

Q. You heard about it?—A. Occasionally.

Q. But you did not think it necessary to volunteer any information as to the payments you had made. Perhaps that had nothing to do with it, at any rate that is the view you took of it?—A. Yes.

*By Hon. Mr. Cassels:*

Q. Did you hear that the government objected to their officers getting gratuities?—A. I did not hear of it.

Q. During that time?—A. I did not hear of that.

Q. Did you ever know that?—A. I didn't know it.

Q. What is the outcome of this business? Has the captain still got the money in his pocket, has he been ordered to refund it?

*By Mr. Watson:*

Q. Have you any knowledge of that?—A. Not any.

Mr. WATSON.—The official file would lead my learned friend and me to the conclusion, my lord, that he still has the money and that the government or department has not received anything.

Hon. Mr. CASSELS.—He was allowed to retain money which he improperly got as far as the file goes.

Mr. WATSON.—As far as the file goes that is the condition. I have read the important parts. There are other parts here which in connection with the matter I place before your lordship, but which it is not necessary to go through with the witness, because the witness has apparently no personal knowledge.

Q. Well, Mr. Beazley of course this presents itself to you now in the light of the circumstances as being somewhat of a serious matter, in fact quite a serious matter does it not?—A. I cannot say that it does.

Q. You cannot say that it does?—A. It has always been customary in salvage cases for any man rendering any service to be rewarded.

Q. Even a government official?—A. Even a government official.

Q. Then what other official have you rewarded?—A. Not any.

Q. I thought you spoke of it as being customary?—A. I never rewarded any other government officials.

Q. Why did you say it was customary?—A. It is the custom of the place, the port.

Q. You know of other government officials being rewarded?—A. I know nothing of the sort.

Q. What do you know of the custom then? I am using your own expression?—A. We know in salvage operations, as I said before, that men are well paid for their services, well rewarded.

Q. That is a little bit off from the question?—A. Well, I know of no other case. Perhaps that is a better answer.

Q. Then you do not know, I take it, of any custom here to pay government officials?—A. I do not know there is any established custom.

Q. Any established custom. Well then any other kind of custom than an established custom?—A. No other kind of custom.

Q. Then you do not know of any such custom at all. That is right?—A. I guess so.

Q. Then you do not know of any other such payments?—A. I know of no other payments.

Q. Than those made by you, your firm?—A. Those referred to.

Q. And the Halifax firm?—A. Those two cases.

Q. And the Donaldson matter, those two cases?—A. Those two cases.

*By Hon. Mr. Cassels:*

Q. Do I understand that your idea is that if salvage work is done by a vessel it is customary that the captain and crew get the money and not the vessel?—A. That the captain and crew get the money.

Q. Yes, get payment?—A. Not at all, my lord, but in the case of the *Hestia* it happened that way.

Q. You make a broad statement. It occurred to me whether the vessel engaged in salvage operations—A. Where engaged in salvage operations the owners of that vessel get a certain percentage and the captain and crew get a certain percentage, and the amount awarded to the captain and crew is set aside by the court for their use.

Q. I understand that.

(Departmental file including correspondence *re* salvage of *Hestia* marked Exhibit 381.

Mr. WATSON.—Would your lordship be good enough to adjourn till a quarter past two?

Hon. Mr. CASSELS.—Very well.

(Adjourned at 12.50 p.m. to 2.15 p.m.)

2.25 p.m.

WILLIAM F. MCKENZIE, of Glasgow and W. Merlin called, not present.

R. G. BEAZLEY's examination resumed.

*By Mr. Watson:*

Q. Do you sometimes make cheques payable to cash?—A. Yes.

Q. And other times do you make cheques payable just to bearer?—A. Yes.

Q. Sometimes cheques for quite considerable amounts payable to cash?—A. Yes, fairly large amounts.

Q. And sometimes cheques for quite considerable amounts payable to bearer?—A. Yes.

Q. And on those cheques usually no name appears, front or back. Is that right?—That sometimes happens.

Q. Have you got a regular petty cash account?—A. Yes, we have a regular cash book.

Q. Eh?—A. We have a regular cash book which we show you.

Q. Petty cash. I am not speaking of your cash book. Petty cash account?—A. I think it is in detail there.

Q. The petty cash?—A. Yes, there is only one cash book.

Q. Eh?—A. The only cash book we have is there.

Q. Let me see some petty cash items. Is that a petty cash item?—A. (The book-keeper. That is a general cash account.)

Q. That is just cash disbursed?—A. (The bookkeeper. That is the only thing we keep just for general cash.)

Q. Those are all small sums. How do you distinguish between this account, cash disbursed, and the ordinary disbursements of the firm?—A. The ordinary disbursements of the firm?

Q. The payment of ordinary accounts in the regular way?—A. The payments what?

Q. To A., B., C. and D.?—A. The payments of ordinary accounts are entered in this book.

Q. Are entered in this book?—A. Yes; all cash payments are entered into that book.

Q. Usually in payment of accounts cheques are given payable to the particular persons or firms, usually?—A. Usually.

Q. Usually so?—A. Yes.

Q. So that if you are paying the Halifax Salvage Company or some other company or firm you would issue a cheque payable to the order of that person or firm?—A. Not necessarily.

Q. I dare say it is not necessary, many things are not necessary. A. If we were giving a cheque to the agents of the Halifax Salvage Association and one of the members were present we would be as likely to give a cheque payable to cash for that amount or bearer as give it to the order of the agents of the Halifax Salvage Association.

Q. That is the system pursued?—A. That is the habit we have been pursuing.

Q. That is the system pursued?—A. We have been in the habit of doing that.

Q. Can you answer my question, Mr. Beazley?—A. That has been our custom.

Q. Then have you any objection to the word system?—A. No particular objection.

Q. Then is that the system pursued—have you got a system in your business?—A. We think we have—a poor system perhaps.

Q. Yes, you know. I understand you are quite one of the leading firms of the city in business transactions and I would suppose that you had no doubt you have regular business system?—A. I think we have perfect control of our own business.

Q. Perfect control, I dare say. And how do you discriminate between cheques issued payable to individuals or firms or their orders and cheques payable to cash or bearer?—A. If we gave a cheque payable to cash to any considerable amount or for any amount I may say in the cash book would be entered the person to whom it would be paid or for what purpose it would be paid.

Q. I suppose so. And it is just for that reason I am asking you why you do not enter the name in the cheque, why you depart from that course of making payable to order and occasionally make your cheques payable to cash—of course, there is method in everything?—A. Sometimes we would require the cash to that amount when giving a cheque to anybody, perhaps somebody who would not be identified at the bank or for any other purpose.

Q. I was speaking of the Halifax Company?—A. I have not them—

Q. There would not be any question of their identity?—A. In mind at present. If we want to send a young man or woman down to the bank with wages, with a cheque for wages, we would be likely to pay it to cash or bearer so that that person might get the amount.

Q. So that the employees you use in your business for bank purposes are not known to the bank?—A. I would not say that.

Hon. Mr. CASSELS.—He referred to those men and women as employees.

*Mr. Watsons*

Q. I thought you wanted to get cash?—A. You want to trip me up.

*By Hon. Mr. Cassels:*

Q. Don't say that.—A. I have some rights here too.

Q. You are under the protection of the Court.

*By Mr. Watson:*

Q. Are these not plain simple questions, are they not do you think?—A. I beg your pardon.

Q. Are these not quite plain simple questions?—A. Yes.

Q. Well, you are not likely to be tripped up by a plain simple question?—A. I hope not.

Hon. Mr. CASSELS.—His statement was not in reference to his own employees, I

think. In the case of a man in a poor circle of life he would make the cheque payable to bearer because the man could not be identified.

Mr. WATSON.—Yes.

Q. I thought you said you might require to send someone from your office down to get a cheque cashed. Did I misunderstand you?—A. I think that is what I intended to say.

Q. That is, someone you would send down to get a cheque cashed would be from your office or business?—A. Perhaps.

Q. Then my question comes back again. Do you from your office send clerks and employees to the bank to get cheques cashed, the employees not being known to the bank officers?—A. If the employees were new to the office they would be necessarily new to the bank.

Q. If they were, of course. Then that accounts, does it not, for the cheques being payable to cash or bearer?—A. Not in all cases.

Q. What other cases?—A. I don't know particularly. It is a matter of choice I am afraid in making out cheques.

Q. I wanted to see whether it was a matter of choice or a matter of system?—A. You can call it either.

Q. Which is it?—A. I don't know. You can call it either.

Q. I see. Is there any way of tracing up in your cash book the application of the proceeds of cheques payable to cash, that is in all cases?—A. I think we can, that is if we can discover the cheques. I don't know that we can. I will give you an instance.

Q. I see. I did not know you could.—A. I will make out a cheque to wages, well dealing with the current wages for the week, and it will also include some petty cash that we require for trifling disbursements, and I will put it all in the cheque either as cash or wages.

Q. And would that apply as well to some other cheques than those to be used for payment of wages?—A. I think not.

Q. You are not quite sure?—A. I am not quite sure.

Q. Have you been able to make any further examination as to the cheques prior to 1905?—A. At noon today you mean?

Q. Yes.—A. Hardly.

Q. You have not been able to?—A. I have not done so.

Q. When do you think you will be able to do so?—A. I would like to ask you that question.

*By Hon. Mr. Cassels :*

Q. Well, Mr. Beazley?—A. I will be ready just as soon as I can get away from this court to search for them, or in other words I will make that my first business.

Mr. WATSON.—Yes. Do you deal in soap?—A. In buying and selling soap?

Q. Yes.—A. No.

Q. Or provisions?—A. No. We buy provisions for the consumption of the crew or men, of the employees.

Q. That is of your own?—A. Our own.

Q. Do you sell them?—A. We do not sell them at all.

Q. Do you deal in any class of goods?—A. Buying and selling?

Q. Yes.—A. The only exception to that would be in the case of an auction sale or something of that sort, we buy something we want or think we want.

Q. Oh yes. That is in connection with the business?—A. Or in connection with our homes.

Q. I asked you that question to leave out any domestic matters. Then when you buy them in connection with your business what do you do with them, resell them?—A. As I said, ordinarily we do not buy them.

Q. Ordinarily I know. But I say when do you, then do you resell them?—A.

We may do that, we may resell them if we can sell them at an advance or to an advantage.

Q. I see. So it is just a question of the opportunity to do business and make money in this line: Is that right?—A. Well, strictly speaking it is not right because we are not junk men, we are in a legitimate business.

Q. You say occasionally you may buy goods at auction for business purposes. Do you sell those to the department?—A. Not at all, we sell nothing to the department.

Q. Have you had any sales to the department of that kind?—A. No.

Q. Eh?—A. No.

Q. Have you ever been applied to by Mr. Macnamara to furnish or supply goods?—A. We never furnished or supplied goods to Mr. Macnamara at any time.

Q. That is hardly an answer to my question. If you will just kindly bear in mind the question: Have you ever been applied to by Mr. Macnamara to furnish or supply goods?—A. No.

Q. By Mr. Baker? A. By whom, Mr. Baker?

Q. That is the name?—A. No.

Q. Anyone else?—A. No, no one else.

Q. Mr. Tremaine?—A. No.

Q. Or Mr. Parsons?—A. No.

Q. Have you had occasion to make any payments at any time in cash of the equivalent of cash to Mr. Tremaine?—A. No.

Q. Eh?—A. No. Any payments in cash or the equivalent of cash?

Q. Yes. A. The only thing I think you might refer to is to some damage we did sometime ago to the property of the Marine and Fisheries Department, which we made good. Outside of that we never made any payments to the Department or any of its officials.

Q. Have you got in mind the question I asked you?—A. You might repeat it if you will.

Q. I will be happy, to. Have you ever made any payments by cheque or in cash or the equivalent of cash to Mr. Tremaine?—A. Not to my recollection.

Q. Oh, not to your recollection. That is a little bit weak?—A. A little bit weak.

Q. The answer is not quite positive or certain?—A. Well, you must understand we have been doing business with the Department of Marine and Fisheries for many years, and while I have no such transaction in mind it might have occurred.

Q. It might have occurred, I see. It might have occurred in respect to what matter? Try and think. A. I don't know of any matter, in respect to any matter.

Q. Well, would you like time to think it over?—A. I don't think I could think it over if I was given any amount of time, I don't think I could bring it back. I have no idea, no notion what it is.

Q. No?—A. The amounts.

Q. You said it might be so. How is that, that it might be so? Just explain that might be. A. I could not explain it.

Q. You could not explain it?—A. I do not want to say emphatically no if at any time we were called upon to make good. I really don't know what you mean.

Q. You don't know what I mean?—A. No, I don't know what you refer to, but probably I had better put it that way.

Q. I am just referring to any transaction—the transactions were yours if there were any, you do not want me to tell you about your own transactions?—A. I can recall buying articles at auction, sold by auction there on account of the Marine and Fisheries Department. I am not quite sure whether I in payment of those goods made cheques payable to the auctioneer or the Department of Marine and Fisheries.

Q. I am not talking about the Department of Marine and Fisheries at all. I am talking about Mr. Tremaine.—A. Oh yes.

Q. If you please just keep your mind to the question.—A. I have no recollection of paying Mr. Tremaine anything at any time.

Q. That is as far as you will go?—A. That is as far as I can remember.

Q. Is there anybody that would have any better memory than you upon the subject?—A. I don't think so.

Q. Who would be closer in touch in that sort of transaction?—A. Nobody.

Q. You or your brothers, either one of them?—A. Myself.

Q. That would be entirely with yourself?—A. Entirely.

Q. And with Mr. Parsons what is your statement?—A. The same statement.

Q. The same thing?—A. The same thing.

Q. And with Mr. MacNamara?—A. The same thing.

Q. The same thing?—A. Yes.

Q. No better recollection with regard to Mr. MacNamara?—A. No better recollection.

Q. No better recollection, and with regard to Mr. Baker, any better recollection?—A. I don't recollect anything in connection with Mr. Baker, no.

Q. What is his first name?—A. I don't know.

Q. Eh?—A. I don't know.

Q. Is it James?—A. I don't know.

Q. You don't know. What is that cheque, (exhibiting Exhibit 383).—A. That cheque was not drawn by myself.

Q. Whose writing is it?—A. I would say my brother's writing.

Q. Which brother?—A. William.

Q. Was that the one who left a week ago Thursday, or the Thursday before that?

—A. No, he has been away all the summer. He was here at exhibition time.

Q. Any idea what that is for?—A. I haven't the slightest idea.

Q. That is payable to Mr. Baker or bearer, there is no endorsement on the back of it?—A. I noticed that.

Q. You noticed that did you?—A. Yes.

Q. You cannot explain it?—A. No, I haven't the slightest connection with it. Hon. Mr. CASSELS.—What date is it?

Mr. WATSON.—The 8th of August, 1908, my lord.

Q. Do you know any other Baker than this one?—A. I don't know that one.

Q. You don't know that one. Here is another cheque for \$15 in the same way, dated 27th of June 1908, both payable to Baker or bearer?—A. May I see that? May I see the first one? These are cheques drawn in Charlottetown.

(Cheque to Baker or bearer for \$15 marked Exhibit 382. Cheque to Baker or bearer for \$20, marked Exhibit 383.)

Q. Certainly those are drawn in Charlottetown?—A. And my brother William has been looking after the work there. Those cheques are given by him, I don't know for what purpose.

Q. Were they given here or there, do you know?—A. In Charlottetown.

Q. Do you know?—A. Yes, I know.

Q. How do you know?—A. There is Charlottetown marked here. He was there all the summer, and there all that year. That is his signature.

Q. How do you know they were not issued here?—A. Because he has been away, he could not issue them here.

Q. I see you make cheques for large amounts sometimes. Here is one payable a few days ago to cash. \$5,000 Has that anything to do with the Marine Department?—A. Not anything, whatever.

Q. Eh?—A. Nothing, nothing to do with the department. I can tell you what that is if you wish to know. What is the date, October 27th?

Q. You say this cheque, October 27th, 1908, payable to cash does not appear anywhere in your books. Is that what you say?—A. It does not appear anywhere in our books, that item.

Q. Nowhere in the books?—A. That item.

Q. \$5,000?—A. I may explain, I suppose, how that happened.

Q. Well, you just said to me now that it was—are you speaking of the system of book-keeping?—A. No; this particular cheque.

Q. You said to me just now that it was a matter of personal loan?—A. For a few days, and I took a memorandum of it and treated it as cash in the cash book, a personal loan.

Q. And did this party have any connection with the Marine and Fisheries Department?—A. Not any.

Q. Eh?—A. To my knowledge he has not any.

Q. Not to your knowledge?—A. I will give you the name in confidence if you wish.

Q. That is all right I am not particular about the name. You might write it on the back of the cheque?—A. Witness writes name on cheque).

Q. Then who is there outside of the department that has had to do more or less with departmental matters and the management of the department?—A. I have given you the names of all with whom I ever had anything to do.

Q. Yes. That hardly answers my question You see you do not keep in mind my question. Who is there outside of the department to your knowledge or information that has had to do with management and direction in the department?—A. I do not know of anybody.

Q. Eh?—A. I do not know of anybody if I understand your question aright.

Q. Has anybody else intervened?—A. Oh, I see what you mean.

Q. Eh?—A. Not anybody.

Q. What is my question?—A. Has anyone acted as go-between between any official of the department and ourselves? Is that what you are trying to ask me?

Q. What I try to ask you I will endeavour to get through with. Has anyone intervened as between you and the department in your interests?—A. Nobody.

Q. That you know of?—A. Nobody.

Q. That you know of?—A. Nobody, absolutely nobody.

Q. Then do you think you will be able to make the further searches this afternoon if you leave now?—A. I will do all I can to find anything that will be of service to you. You mean those cheques of course?

Q. Yes.—A. Certainly I will hunt for them.

Q. It will be necessary for us to keep those books a little longer?—A. I would like to have them.

Q. Then in your personal account do you sometimes make firm disbursements out of your personal account?—A. I have loaned the firm at times cash, which has been transferred from my personal account to that of the firm's.

Q. Yes.—A. But that is only one way of making payments outside of my own private affairs, and that is through the firm's books, and through the firm's cheque book.

Q. I have no doubt you intend that as an answer, although it is not a very direct one. Do you sometimes make direct payments out of your own bank account to others in connection with firm matters?—A. No.

Q. Eh?—A. No. The only transactions, as I said, that I have—

Q. Has that ever occurred?—A. No, never occurred.

Q. That has never occurred?—A. No, it has never occurred.

Q. Have you any special accounts?—A. No special accounts.

Q. No special accounts?—A. No, we have but one bank account.

Q. But one bank account?—A. Yes.

Q. You have a personal account?—A. A private bank account, personal if you like to call it that.

Q. Outside of the firm account?—A. We have no what you call 'special accounts.'

Q. Then have you anything further now to say to his lordship in respect to these payments made to Mr. Johnson?—A. I thought I made myself clear this morning.

Q. All right.—A. But anything that we gave Captain Johnston on account either of the steamer *Hestia* or the *Mount Temple* we considered as an award for him irres-

pactic of any claims the department might have against either of the ships or against the Halifax Salvage Association.

Q. Yes. You have a great many employees?—A. Not—

Q. A great many employees?—A. Well, a fair number.

Q. Have you ever known of a case of a merchant or business man with whom you had transactions, making presents to any of your employees?—A. I don't know of such a case.

Q. You don't know of such a case?—A. No.

Q. Then if you will kindly make those further investigations about the books and return when you have made them?—A. Return this afternoon?

Q. Would you prefer to leave it till the morning?—A. I have a lot to do and I am all alone.

Q. All right. To-morrow morning, at your convenience.—A. Do you want to keep these books?

Q. Yes, unless there is something very special you want in the meantime.

W. G. ROBERTSON, recalled.

*By Mr. Watson:*

Q. Mr. Robertson, I understood you on Saturday to say that you were the junior member of the firm of William Robertson & Co.?—A. That is correct, sir.

Q. There only being two members of the firm?—A. That is correct, sir.

Q. We find that the sales by you to the department during the three years, not including 1908, amounted to \$55,704. that is this Marine Department alone, we are not asking about any other departments; that is about right, no doubt?—A. Yes, that is about right.

Q. So that the Marine and Fisheries Department has been a very large customer of your house?—A. It has.

Q. No doubt one of the best customers?—A. That is correct, sir.

Q. In fact, will you let me ask, is there any other customer who purchases to such a large amount that you have in mind just now?—A. There is not.

Q. What class of goods do you furnish for the most part to the department?—A. All kinds of hardware and ship chandlery.

Q. I see. All kinds of hardware and ship chandlery. Have you got any written contract between you and the department in regard to these sales and purchases?—A. Not here, I have not, sir.

Q. Where are they, written contracts signed by the minister or deputy minister?—A. No, sir, I have none.

Q. There has been no such contract has there?—A. No.

Q. No. A certain portion of the goods and materials supplied by you has been the result of tenders invited?—A. Yes, sir, they have.

Q. Who else have tendered besides you?—A. I don't know, sir.

Q. Any knowledge at all?—A. I presume the other Liberal firms in Halifax.

Q. But have you any knowledge at all of any other firm tendering upon the same order?—A. I suppose Austen Brothers.

Q. But leaving out perhaps what you might reasonably suppose.—A. I have no knowledge.

Q. No knowledge.—A. No absolute knowledge, except I know we did not get them all, so I suppose there must have been somebody else tendering.

Q. Only in that way?—A. Yes.

Q. Then a considerable portion of the goods supplied by you has been other than through tenders and answers to tenders?—A. I think about a third, sir.

Q. A third. You are a wholesale house?—A. Wholesale and retail, yes, sir.

Q. Wholesale and retail. I suppose your trade is chiefly wholesale?—A. Chiefly wholesale.

Q. So that you are known as wholesale dealers?—A. Yes, sir.

Q. And upon the whole the prices charged by your firm to the department upon goods and materials supplied I understand have been so supplied at a price about ten per cent above the ordinary retail price?—A. Above the ordinary retail price?

Q. Yes.—A. No, sir.

Q. What?—A. No, sir.

Q. Are you speaking of goods by contract, or the goods outside of contract?

Q. Take the goods outside of contract, then is that not so?—A. I think that is about correct, sir.

Q. That is about correct. The goods outside of contract that have been furnished by you to the department have been furnished at prices about ten per cent above the ordinary retail prices, that is so, is it?—A. I know—

Q. Is that so?—A. No, sir, I will not admit it.

Q. You will not admit it?—A. No, sir.

Q. Will you deny that is so?—A. I won't deny it if you say it is not so.

Q. You won't deny it. Will you say it is not so much as 15 per cent, will you deny it is not 15 per cent in excess of ordinary retail prices?—A. I will.

Q. You will deny that, but you will not deny it may be ten per cent in excess of ordinary prices?—A. I prefer to make no statement.

Q. You said you would not deny it.

*By Hon. Mr. Cassels:*

Q. Mr. Robertson, you must know one way or the other, whether the fact is as Mr. Watson puts it?—A. Your honour, I find Mr. Watson has as much knowledge, or more than I have.

Q. I know, but he has to bring it out. You see, he is here to bring it out in evidence, and he cannot do it without knowledge. The point you are asked, is this—which you ought to be able to tell—is it a fact taking the goods which you sold to the Marine Department at retail prices, that you got ten per cent more than retail prices?—A. Which we sold at retail prices?

Q. Yes.—A. Yes, sir.

Q. You misunderstand Mr. Watson's question. Mr. Watson was confining himself to what was sold at retail as distinguished from wholesale.—A. I entirely misunderstood you then, sir.

Mr. WATSON.—What is that?

Hon. Mr. CASSELS.—The witness says that the goods sold to the department at retail prices, setting aside for the moment those sold at wholesale, that he got ten per cent more than the ordinary market retail prices on these goods.

Mr. WATSON.—Yes, ten per cent more, I see.

Q. Mr. Robertson, do you think that calls for any explanation from you?—A. I have no explanation to make, sir.

Q. No explanation to make. Were those prices fixed beforehand? If so, with whom?—A. I do not understand your question, sir.

Q. Were these prices that you charged for the goods you have spoken of, were they fixed beforehand, or were they just charged up and the account sent in?—A. They were never fixed with anybody, if you mean collusion with anybody.

Q. Never fixed with anybody?—A. No, sir.

Q. That is, the prices were just made in the way you speak of, and the accounts sent in. To whom were they sent?—A. They were sent to the agency here.

Q. To the agency here. And you received a cheque from Ottawa or from the agent here?—A. From Ottawa.

Q. I see. Is it difficult to ascertain the ordinary retail prices of goods in Halifax?—A. It ought not to be.

Q. Then you charged the extra price I suppose because you were selling to the department, or to the government, is that it? That is what it comes to?—A. I suppose that is what it really comes to. The accounts were quite a while in being paid at times.

Q. Yes, accounts were quite a while being paid at times. Your business is more or less of a credit business, I assume?—A. Three months.

Q. Three months is your average line of credit. I see, that is to others. Then we can easily see from our records as to the time of payment, and the information I have is that the time of payment by the department on an average does not exceed three months. You will not question that, I suppose?—A. Not if you say so, no sir.

Q. How can you account for the agent here—because this inquiry of course by his lordship is a matter in respect to the officials—how can you account for the agent Mr. Parsons, passing those accounts at those excessive profits?—A. I have no means of accounting for it, sir.

Q. Did you ever meet Mr. Parsons in connection with the business?—A. Not more than half a dozen times in twelve years.

Q. Not more than half a dozen times in twelve years?—A. No, sir.

Q. I see. Well, do you mean that so far as you know he has not anything practically to do with the matter as far as you know; is that what I understand?—A. I do not know. I never had much to do with Mr. Parsons, but the statement I made is correct, I don't know much about his position.

Q. I see. Has that course been going on, the course you speak of, for the last ten or twelve years?—A. What is that, sir?

Q. The scale of prices you have spoken of?—A. No, sir.

Q. When was that introduced?—A. I don't know, sir.

Q. When did it begin?—A. I don't know.

Q. Has it been changed at any particular time?—A. No.

Q. It has not been changed. Then it is the same system apparently, is that right?—A. I didn't acknowledge any system at all, sir.

Q. Oh, you did not acknowledge any system at all. What do you call the business way of doing things here according to system or method, or what other way is it? Well, then, who has been managing the department here?—A. I think Mr. Tremaine has had as much to say about it as anyone else, that is as far as I could understand.

Q. As far as you could understand?—A. Yes.

Q. Anyone else?—A. No one I know of.

Q. Anyone outside of the Department?—A. No one I know of.

Q. What?—A. No one I know of has had the managing of the Department outside.

Q. Who has had to do with the orders you got from the Department from time to time?—A. Do you mean who has had the recommending of it?

Q. Of particular orders, yes.—A. Nobody but the members I suppose.

Q. Who?—A. The members.

Q. Who are the members?—A. Mr. Roche and Mr. Carney.

Q. Mr. Roche and Mr. Carney. Well now, let me understand, Mr. Robertson, about that. Of course, I can understand that upon a representation made, having regard to the system that has been pursued practically ever since Confederation, that the county or city member would recommend certain names to the patronage list?—A. Yes, sir.

Q. Yes, I can understand that. You see, that is not the question I asked. Your name was put upon the patronage list I assume a great many years ago?—A. I presume so, yes sir.

Q. Take the orders, for instance, that you filled during the last year or two years, I understand from your answer that you got those particular orders through the members?—A. Not at all, sir.

Q. Eh?—A. We got the orders for the most part I suppose from the fact of our being on the patronage list.

Q. For the most part. But what else?—A. Any particular order we would ask the member at times to use his influence to see we got it.

Q. Particular orders?—A. Yes, sir.

Q. So when you wanted orders you would go to the members, is that right?  
—A. I don't quite understand the question.

Q. Well, when you wanted to receive orders and to supply goods, you would go to the members?—A. Not at all. If we knew there were goods wanted, we would.

Q. Then you would go to the members?—A. At times.

Q. I see. So that during this year or last year if you knew that goods were wanted in the Department, and if you knew that you wanted to sell goods to the Department, you would go to the members about it; that is right is it?—A. It is in part, yes, sir.

Q. Yes. You would go to the members about it, I see. Then what had the members to do with it, to your knowledge?—A. I don't know, sir.

Q. But you know that after you had been to see the members you would get the orders?—A. At times. Sometimes we would, sometimes we would not.

Q. And did you communicate to the members or either of them the fact of the prices you were charging?—A. We did not.

Q. You did not?—A. No.

Q. Now then is it the fact that for the most part the ordering and supplying of goods has been under the direction in this agency of the members?—A. I don't think it has.

Eh?—A. I don't think it has. I think the direction of the orders—that is after the Department has decided what they wanted—the direction of the placing of the orders have been under the——

Q. What?—A. The direction as to the placing of the orders and as to which firm shall get the orders.

Q. I see. The direction of the placing of the orders has been by the member?—A. I think so.

Q. Oh, I see. So that it is not a matter, the way you put it, in any way of procuring orders to be issued, and procuring goods to be supplied, but when goods and materials were required then the placing of the orders, that is the firms or persons who were to fill the orders, has been under the direction of the members?—A. To some extent, yes, sir.

Q. That is a considerable part of the management of the department, is it not the agent's office?—A. I am not acquainted with the workings.

Q. You are not acquainted with the agent's office?—A. No, sir.

Q. Then I understand from what you have said that if you wanted an order you would go to one of the members?—A. On occasions, yes, sir.

Q. You would go to one of the members?—A. On occasions.

Q. You would not go to the agent, you would not apply to the agent, you would apply to one of the members?—A. We have applied to the agent, or to the office.

Q. But is it so that in many cases you would apply to the member or members, and not to the agent, and then the order would follow after the application to the member?—A. That is the exception, not the rule.

Q. That occurs sometimes, then?—A. Yes.

Q. Then you do not know if that is pursued by others in the same way?—A. I do not know sir.

Q. You do not know. Speaking just for yourself, I see. You are perhaps quite one of the strongest houses in the city?—A. I think so, sir.

Q. Then is it a fact, practically, that Mr. Parsons, so to speak, was not in it?—A. Well, I——

Q. For the last 8 or 10 years?—A. I don't know, your Honour that I am called upon——

*By Hon. Mr. Cassels:*

Q. If you cannot say, say so; if you can say, you may say so. You know what Mr. Watson means.—A. Mr. Watson has asked a pretty broad question.

Q. He wants to know if the control of the Marine and Fisheries Department was

taken out of the agent's hands and reserved to the members?—A. I would say no, as far as my knowledge goes.

Q. That is, as I understand, his question.

*By Mr. Watson:*

Q. Is it not the fact that you have recognized that that is so, that Mr. Parsons for all practical purposes was not in it in connection with the giving of orders, as far as the giving of orders was concerned?—A. We have not come in contact with him. That would be the deduction, I suppose, to draw.

Q. That would be the deduction you suppose to draw, I see. And not anyone else in the department practically in it; that a practical deduction?—A. Mr. Tremaine and Mr. Mitchell I think are the two.

Q. But the same thing applies to them as to Mr. Parsons?—A. I would not say that.

Q. Would you say it is not so?—A. I would say, as far as I know, it is not so.

Q. Then what discretion do you know of having been exercised by Mr. Tremaine in the course of your business dealings with the department?—A. In which way, sir?

Q. Anyway; in the giving of orders was any discretion whatever exercised by him?—A. I have not—it is a question I cannot answer.

Q. You do not know of any?—A. Well——

Q. Do you know of any?—A. I do not.

Q. And the same with Mr. Mitchell, you do not know of any discretion he has exercised in the giving of orders?—A. I presume——

Q. Do you know of any discretion?—A. No, sir. I am not conversant with the workings of the office.

Q. And then what do you do with the extra profits you make out of the Marine Department?—A. Keep it.

Q. Eh?—A. Keep it.

Q. For distribution?—A. I don't understand.

Q. How much do officials get out of that?—A. The officials have never got a dollar from us.

Q. Eh?—A. The officials have never got a dollar from us.

Q. Never received a dollar from you?—A. No, sir.

Q. How do you deliver your goods, and where?—A. By team, at the dock yard.

Q. Who receives them?—A. I don't know, sir.

Q. Who receipts for them?—A. I don't know, sir.

Q. I see they are receipted for on the face of the accounts by George R. MacNamara, who is he?—A. He is one of the officials.

Q. One of the officials. Then did you not know that they were receipted for by Mr. MacNamara?—A. I did not, sir.

Q. Did you know that Mr. Parsons, the agent, signed a certificate upon all your accounts that the prices charged were fair and just, did you know that Mr. Robertson?—A. I did not, sir.

Q. You did not know that. If you had known that he was required to sign such a certificate would it have made any difference—well I will not press that. That Mr. Robertson perhaps is another sphere. Then did Mr. Parsons never come to see you although his signature is here?—A. As far as I know Mr. Parsons has never been in our office.

Q. And did Mr. MacNamara ever come to see you?—A. I have seen him in the store once or twice.

Q. What was he doing there?—A. I could not tell you, sir.

Q. You could not tell. Who would be able to tell?—A. I don't know anyone would.

Q. Was he just looking around?—A. No. I presume he had been down perhaps leaving an order or looking after goods, picking out goods.

Q. Picking out goods?—A. Yes.

Q. Oh, I see. Then did Mr. MacNamara pick out goods?—A. At times, I think.

Q. And at the time he picked out goods did he say anything about prices?—A. He did not.

Q. What kind of goods did he pick out?—A. I could not tell you, sir.

Q. You could not tell. Who in your house or business would have the most direct communication with these officials, you or some employee?—A. I answered that yesterday, I think, A. K. Whiston.

Q. Whiston?—A. A. K.

Q. Mr. Whiston would have, I see. Has he any authority to sign cheques?—A. He has not.

Q. Does he control any account?—A. He does not.

Q. Petty cash account?—A. None whatever.

Q. Eh?—A. None whatever.

Q. Who controls it?—A. The book-keeper.

Q. Who is the book-keeper?—A. Mr. Stech. There is no petty cash. You have had all the accounts before you.

Q. I beg your pardon.—A. There is no petty cash kept. All the cash appears in our regular cash book.

Q. Then in your business are cheques occasionally issued to cash?—A. Frequently.

Q. Frequently. Bearer?—A. Frequently.

Q. No names appearing upon them?—A. No, sir.

Q. Either on the front or the back?—A. Either on the front or the back.

Q. That applies to cheques for considerably large amounts?—A. It does so.

Q. Is that a system that prevails?—A. I suppose you would call it a lack of system rather than system.

Q. A lack of system, I see. Then have any of the officials had any accounts, personal accounts with your firm?—A. None but what you have had before you, sir.

Q. There are some trifling accounts with some of them in your books?—A. In the books, yes, sir.

Q. As far as we have observed in regard to those that were pointed out to us, they appear to have been paid?—A. Yes, sir.

Q. What about benefits directly or indirectly?—A. There have been none to my knowledge; in fact, I will say more there have been none.

Q. Why did you say 'to your knowledge'?—A. Because I did not say it intentionally.

Y. I see, you did not say that intentionally, a mere form of expression?—A. Yes.

Q. Then are you able to say without qualification?—A. I am able to say without qualification that there is no official in the Marine Department that has ever received a dollar directly or indirectly from our firm or from me individually.

Q. Then who is there that participates directly or indirectly in the gains or profits?—A. The firm itself.

Q. And who else outside?—A. No one.

Q. Eh?—A. No one.

Q. No one?—A. No, sir.

Q. But you are under considerable compliment, putting it mildly, sometimes to some from what you have said. How do you meet the compliment in any business way in connection with the profits?—A. I don't understand what you mean, sir.

Q. You don't understand what I mean, I see. You are under considerable compliment for the orders that you get, or at all events to some extent?—A. To whom, sir?

Q. By the direction and with the assistance of others. Is there any compensation by way of return to any individual to whom you are under such compliment?—A. None whatever, sir.

Q. Do you say so?—A. I do, sir.

Q. Then, Mr. Robertson, what other information can you give here in respect to other matters that might be the subject of comment that have occurred to your knowledge with the department outside of your own business?—A. I don't understand what you mean, sir.

Q. You do not understand the question. Is there any information that you are prepared now to give in respect to other transactions that have occurred with the department within the last four or five years with other persons than your firm and of which transactions you have knowledge?—A. No, sir, there is nothing I know of.

Q. Is that what you say?—A. Yes, sir.

Q. Will you be kind enough to try and refresh your recollection in regard to that. You understand the question?—A. I understand the question—at least, I don't know I do fully, because—

Q. You can think it over, please.—A. Would you mind repeating it

Q. The reporter will read the question. (Reporter reads question commencing 'Is there any information that you are prepared now to give,' &c.)

A. I have no knowledge of anything, sir.

Q. I would like you to think it over, please. I am sure you will tell of it if you can recollect it.—A. I certainly will. I do not recollect it.

Q. Then I see some of these accounts are certified by C. Thomson Schmidt?—A. Yes, sir, at least I—

Q. Who is he? Is he the superintendent or inspector from the department?—A. I don't know just what his position is. I have seen his name in the papers a good deal lately.

Q. Do you know if he is here in Halifax now?—A. I think he is. I think I saw him to-day.

Q. You think you saw him to-day?—A. Yes, sir.

Q. Is he engaged in the department now?—A. I don't know, sir.

Q. Eh?—A. I don't know.

Q. Have you any knowledge of any work being done by him in the department within the last three weeks?—A. No, sir.

Q. You have not. Is that the same Mr. Thomson Schmidt whose name was referred to in evidence in regard to transactions at Quebec and at St. John?—A. I presume so.

Q. And can you tell me whether he is now engaged in any departmental service here?—A. I don't know, sir.

Q. Can you tell we whether or not he is now interesting himself at Halifax in this investigation?—A. I don't know, sir.

Q. You don't know?—A. No, sir.

Q. I see a considerable number of accounts that have been certified to by him, on which his name appears?—A. I was not aware of it, sir.

Q. You were not aware of it?—A. No, sir.

Q. Has he seen you sometimes?—A. I think I have spoken to him once in my life.

Q. Once. That is not very often?—A. No, sir.

Q. Was that about business?—A. About business, yes, sir.

Q. Personal business?—A. No, sir, business in connection with the department, the stores.

Q. Did you offer him any present?—A. I did not, sir.

Q. You did not. Have you made any offer to anyone else?—A. I have not, sir.

Q. Have you been solicited?—A. I have not, sir.

Mr. Watson.—I will have to ask you to keep the books a little bit longer, my lord, and I may require to call Mr. Robertson again. If so, I will give him word.

*By Hon. Mr. Cassels:*

Q. Mr. Robertson, in regard to the goods that you sold to the department at wholesale prices, did you sell them at any higher rate than you sold to outsiders at

wholesale prices?—A. No, sir. I don't know what to say about the answer I made. I have done myself an injustice.

Q. I understand your answer as to those sold by retail; but a certain portion of these goods, amounting to \$55,740, were sold at wholesale rates, and I rather gathered from you were the subject matter probably of tender?—A. Yes, sir.

Q. Now, in regard to those sales, did you get higher prices than those at which you were selling to others?—A. No, sir, I don't think I did.

Q. I would like you to be sure. Do you understand my question?—A. I do, sir. I am of opinion that in some instances they may have been slightly higher, but very little.

Q. Can you pick them out easily?—A. I beg your pardon?

Q. Can you pick them out easily?—A. Yes, sir, I think so.

*By Mr. Watson:*

Q. Will you deny, Mr. Robertson, with your personal knowledge of the business, that the average excess on the whole sales, that is on all the sales, wholesale and retail, was more than ten per cent over the ordinary wholesale and retail prices, will you deny that?—A. Yes, sir, I will.

Q. Eh?—A. I will.

Q. You think it does not apply that far for the wholesale?—A. No, sir.

Q. But you are not able to state to what extent it does apply for the wholesale, is that so, you are not able to state what the excess is in regard to the wholesale prices?—A. No, sir, I don't see how I could be expected to.

Q. Your bookkeeper will be able to tell?—A. No, sir.

Q. Is there anyone else than you in the business who would be able to tell?—A. Yes, I think Mr. Whiston probably would know.

Q. Then we will see Mr. Whiston. That will do for the present.

A. N. MELVIN, recalled.

*By Mr. Watson:*

Q. What did you say your line is?—A. Hardware, sir.

Q. Wholesale?—A. No, sir, retail.

Q. I see you have been selling hardware to the Marine Department?—A. Yes, sir.

Q. Where is your place of business?—A. Gottingen Street.

Q. I understand from your evidence given the other day, that is on Saturday, the Marine and Fisheries Department is practically your business, your chief business, the sales to that department?—A. No. I said they were my best customer.

Q. The best customer?—A. Yes.

Q. Is not that practically your whole business?—A. Oh no, sir.

Q. Eh?—A. No, sir.

Q. Not?—A. No, sir.

Q. Not practically your whole business. How much is your business over and above the sales to the Marine and Fisheries Department, about how much?—A. Oh, possibly—

Q. A thousand dollars a year?—A. Six thousand dollars a year.

Q. Six thousand dollars a year?—A. Six thousand dollars a year.

Q. Six thousand dollars a year?—A. Yes.

Q. Over and above?—A. Over and above the Marine and Fisheries Department.

Q. Over and above the sales to the Marine and Fisheries Department?—A. Yes.

Q. I ask you that as a matter of information after looking into the matter. You think that is so?—A. Yes, sir.

Q. I see. Your brother is in the Marine Department I understand?—A. No, sir.

Q. Is he?—A. No, sir.

Q. Is he employed there?—A. No, sir.

Q. Is he not?—A. No, sir. I have no brother in the Marine Department.

Q. You have not down in the yard?—A. No, sir.

Q. From whom did you get your orders?—A. They came down on a written form by the messenger.

Q. Messenger?—A. Or else by telephone, but they always came after by messenger.

Q. They came afterwards by messenger?—A. Yes, sir.

Q. Did you have any personal communication with Mr. Parsons?—A. No, sir.

Q. Did you have any personal communication with anyone in the Department, did you meet them personally?—A. Well, once in a while, yes, sir, I would. The storekeeper would come down to pick out something.

Q. Once in a while the storekeeper would come down to pick out something?—A. Yes, sir.

Q. Who is the storekeeper?—A. Mr. Macnamara.

Q. I see. Did you have an account with Mr. Macnamara?—A. Yes, sir.

Q. Eh?—A. Yes, sir.

Q. You had an account with Mr. Macnamara Show it, please?—A. (Witness turns up account.)

Q. The first one there in the books, is this the first one?—A. Yes, sir.

Q. At page 250 is it?—A. Yes, sir, there (indicating.)

Q. 251?—A. Carried from another ledger.

Q. Carried from the other ledger. That is a small one?—A. Yes, sir.

Q. That is away back in December, December 31st, 1901, that is just \$2.25. That has never been paid?—A. No, sir.

Q. Never rendered?—A. I don't think so.

Q. You don't think so, no, never rendered, never paid. Let me see the next one, please?—A. There.

Q. Page 459. What year is that, October 10th? That \$2.25, is that carried into the further account, that is right, is it not?—A. Yes, sir.

Q. What year is this? The other was 1901. Well, the next account is \$10.64. Never rendered, never paid: That is right is it not?—A. Yes, sir.

Q. That is right, never rendered, never paid. Now the next account?—A. (Witness turns up third account.)

Q. This is 1906—no, 1907?—A. Carried over.

Q. Yes. \$30.03. Never rendered, never paid: The same, is it?—A. Yes, sir.

Q. Never rendered, never paid. Your business is a comparatively small business, you are not a very wealthy man?—A. Some retail business. No, sir, I am not a wealthy man.

Q. You pursue the system of running accounts and not attempting to collect them?—A. No, sir, not usually.

Q. What was he calling for, to get goods from you for the department?—A. No. At certain times he would want some hammer, he wanted to pick it out, and I would go with him to pick it out.

Q. But he would call in sometimes with orders for goods—we have the accounts here?—A. Once in a while he would.

Q. What was the understanding between you and him, that these were gifts?—A. I said nothing to him about it.

Q. I see. The best way to say nothing, eh?—A. That is what I did in that case, sir.

Q. And what did he say?—A. He made no allusion to it, neither did I.

Q. I see, he said nothing and you said nothing. Meantime he got your goods?—A. Yes, sir.

Q. And I see his name on your accounts here?—A. Yes, sir.

Mr. WATSON.—The certificate, my lord, is just in these words, 'I certify the above was received by me in good order and the quantity as mentioned correct.'

Q. He would be in your shop or place of business once a week?—A. No, sir.

Q. Once every two weeks?—A. Possibly.

Q. Possibly once every two weeks. That is for the last four or five years or more?

—A. Yes, sir.

Q. Of course, you recognize, I assume, that it was through him you were getting orders?—A. No, sir.

Q. What?—A. No, sir. I did not recognize it was through him at all I was getting orders.

Q. Why?—A. Because the orders did not come from him, the orders were signed by Mr. Mitchell, yes, in all cases, I think, or Mr. Tremaine.

Q. What was your reason for not collecting the account from him, what is your business reason for not doing so, you thought it better not to as a matter of business?—A. Yes, sir.

Q. I see, better not to as a matter of business. You thought if you did not collect it might be better for you in connection with your sales and deliveries to the Marine Department. That is right is it not?—A. Yes, it would not hurt any.

Q. Yes, that is the plain English of it. You charged a good round price I see sometimes, I suppose just as much as you could get fairly?—A. Not at all.

Q. Eh?—A. Not at all. I charged fair and reasonable prices.

Q. Yes. How would they compare with the prices of Messrs. Robertson & Co., do you think?—A. Favourably.

Q. You think favourably. Just about the usual ten per cent over and above the retail prices?—A. Yes, sir.

Q. I see, just about the same. And sometimes you went up a little higher, you have to compete you know, you could go one better, could you not, sometimes?—A. I don't know that I did.

Q. Sometimes you would run up to 25 per cent above the ordinary retail prices?—A. I don't think so.

Q. You are not quite sure?—A. No, sir.

Q. No, you are not quite sure, I see. And this account was a pretty large account, nearly six thousand dollars, that would run up well, would it not?—A. In what?

Q. Three years?—A. Yes.

Q. Nearly six thousand dollars in three years. You were well patronized?—A. Only fairly so I thought.

Q. What became of the goods after they were delivered at the wharf sometimes?—A. I have not any knowledge, sir. Orders would come from the different lights or different places, they were packed in cases marked for those lights and sent down to the Marine and Fisheries Department.

Q. I see, they were goods for what purposes, the lighthouses?—A. Yes, sir, as a rule, and for the dock yard repairs.

Q. The dock yard repairs. Oh, are you a repair man?—A. No, sir, but they were thus specified on the orders.

Q. What kind of repairs in the dock yard?—A. I don't know, sir. That is the way we rendered the bills, you will see them there.

Q. Then did you ever know of the goods going anywhere else?—A. No, sir.

Q. After they got to the dock yard, anywhere else than the lighthouses?—A. No, sir.

Q. Did you ever see them anywhere else around town?—A. No, sir. I never went to the dock yard and have not been in it since the Marine and Fisheries had it.

Q. Did you ever see any goods—I am speaking of your goods after delivery—anywhere else around town after they had passed out of your hands?—A. Never.

Q. You never did?—A. I never did.

Q. You never saw them?—A. No, sir.

Q. Who else has an interest in your business?—A. Nobody, sir.

Q. Eh?—A. Nobody; I have it alone.

Q. Who supplies the capital to you for your business?—A. I have it myself.

Q. Eh?—A. I have it myself.

Q. Yes, you got it?—A. Yes, sir.

Q. But does anybody accommodate you?—A. No, sir, nobody. I pay cash for everything as a rule.

Q. Yes, I understand. Are you working on somebody else's moneys?—A. No, sir, I am working on my own.

Q. Working on your own?—A. Yes, sir.

Q. Sure?—A. Certain.

Q. Has anyone else any interest directly or indirectly in your business or profits?—A. No, sir, nobody.

Q. Eh?—A. Nobody.

Q. Nobody?—A. Nobody but myself.

Q. Then last year, or rather this year whom did you apply to for orders?—A. I did not apply at all; they came in the regular course of business.

Q. You did not apply to anyone?—A. No, sir.

Q. Eh?—A. No, sir, I did not solicit any.

Q. During this year who recommended orders to you?—A. I presume the members did.

Q. Oh, I see you presume the members did. That is during this year and the same last year?—A. Yes, sir.

Q. And the same the year before?—A. Yes, sir.

Q. It is in that way that you get the orders?—A. I think so.

Q. Who else besides the members?—A. Nobody.

Q. Eh?—A. Nobody.

Q. Nobody else?—A. Nobody else but Mr. Mitchell, who telephoned an order or sent one. That is all I know about it.

Q. Have you got an account with Mr. Baker?—A. No, sir.

Q. None at all?—A. I do not know Mr. Baker.

Q. You do not know him. Who else have you got an account with that is in the department?—A. No accounts but what are closed.

Q. Well, who else have you got accounts with, closed or unclosed, or that you have had an account with?—A. (Witness refers to book.)

Q. Can you turn up Mr. Johnston's account?—A. I have no account with Mr. Johnston.

Q. Eh?—A. I have no account with Mr. Johnston.

Q. You have not any account with Mr. Johnston?—A. No, sir.

Q. Turn up Mr. Parson's account?—A. Yes, sir. (Turns up account.)

Q. That is very small and paid?—A. Yes, sir.

Q. Any other account with him?—A. No, sir, no other.

Q. No account with any other official?—A. No other official in the dock yard.

Q. No other official in the dock yard?—A. Or in the Marine and Fisheries.

Q. How do you know?—A. Because I have knowledge of my books.

Q. Do you know Mr. Schmidt?—A. No, sir, I don't know Mr. Schmidt.

Q. Eh?—A. No, sir, I don't know Mr. Schmidt.

Q. Do you know Mr. Tremaine?—A. Yes, sir, I know Mr. Tremaine.

Q. Any account with him?—A. No, sir.

Q. Or Mr. Mitchell?—A. No, sir.

Q. Eh?—A. I know Mr. Mitchell, I have no account with him, I know him just to speak to him.

Q. How long have you been going down to the department?—A. I have never been there.

Q. How often do you go to the dock yard?—A. I mean the dockyard.

Q. But you are right there?—A. That is where the offices are, I have never been in it since the Marine and Fisheries took it.

Q. Why did you say you were in it?—A. I never did say so.

Q. Then I misunderstood you?—A. Yes.

Q. You have never been there?—A. No, sir, I have never been inside the gates.

Q. I understand the gates are kept locked except when they are open?—A. Yes, sir.

Q. They are usually kept locked?—A. I don't know about that. I understand there is a—

Q. They have to be opened to let goods in?—A. I don't know about that, sir.

Q. Do you know any of the gate keepers or people about there?—A. I know Mr. Phalen, one of the gate keepers.

Q. Is he here?—A. No, sir.

Q. Not here?—A. He may be. I think you asked Mr. Tremaine to have him here.

Q. You think we asked Mr. Tremaine?—A. I heard you ask Mr. Tremaine to have the gate keepers here.

Q. Oh, I see, you did not hear it from Mr. Tremaine?—A. No, sir.

Q. Then have you got a bank account?—A. Yes, sir.

Q. Let me see it, please?—A. (Witness produces account.)

Q. Let me see the cheque book?—A. Yes, sir.

Q. Then I see that you have a way of making cheques payable to cash too, sometimes?—A. Yes, sir, frequent.

Q. Frequently. That is the way you pay some debts?—A. Yes, sir.

Q. That is the exception, I suppose, not the rule?—A. No, sir. When I want cash I draw it to cash. If I want to pay a few small accounts I draw one cheque to cash and pay them in cash.

Q. That will do for the present. I will send you a message probably, Mr. Melvin so you will not be obliged to stay here unless you wish.

(Witness's journal marked Exhibit 384.

Witness's ledger marked Exhibit 385.

CLARENCE C. LONGARD, recalled.

*By Mr. Watson:*

Q. What is your business?—A. Mechanical engineering, sir.

Q. You have had very much to do with the department, apparently?—A. Yes, sir, considerable.

Q. I see your account during three years amounts to about \$56,000, that is with this department?—A. I presume so, if you have got it there.

Q. That is all mechanical engineering?—A. Yes, sir. It cannot be anything else, that is the line of business we are carrying on.

Q. Your brother is associated with you in business?—A. Yes, sir.

Q. Just the two of you?—A. Just the two of us.

Q. How long have you known Mr. Parsons?—A. I guess I have known him since I was going to school. I was in his room in school many years ago when he was a school teacher.

Q. Show me your account with Mr. Parsons?—A. I haven't any.

Q. In the books?—A. Well, the bookkeeper produces the books, he will show you the account.

Q. Eh?—A. The bookkeeper will be able to produce the books and show you the account. I am not familiar with the books.

Q. Call for your bookkeeper?—A. Are you there Mr. Wilson?

Q. You have your books here?—A. Yes, sir.

Q. He was here just a moment ago?—A. I have not seen him since dinner time.

Q. Who has the management of the business, you or your brother?—A. From the mechanical standpoint, I think I am the man that looks after that.

Q. That is from the mechanical standpoint?—A. Yes.

Q. Then from the financial standpoint who is the man?—A. I think my brother figures chiefly in that, although I am interested in all transactions that take place.

Q. You are equally interested I suppose?—A. Yes, I am equally interested.

Q. Who is John Hines?—A. My foreman, sir.

Q. Your foreman now?—A. Yes, sir, he is.

Q. In your employment?—A. He is in my employment, but away at present.

Q. When did he go away?—A. About two weeks ago.

Q. Where did he go to?—A. Well, he was to go up through the Canadian cities and down through the New England cities for a trip last summer, which he did not get, and he went back to get it.

Q. When did he leave?—A. When did he leave?

Q. That is what I asked. Why repeat the question?—A. I did not understand.

Q. Yes.—A. He left about two weeks ago.

Q. What day of the week did he leave and what week was it?—A. I cannot tell you just the day of the week, but I know it is about two weeks ago.

Q. Yes. Can you fix the day?—A. Yes, we can fix the day all right, the books will show that.

Q. Yes.—A. I think so. I think there will be some record somewhere.

Q. What are his duties in the office?—A. To look after the outside work entirely with the assistance I can give him.

Q. What?—A. With what assistance I can give him.

Q. Yes. Whatever assistance you can give him?—A. Yes.

Q. So he has to do with outside business?—A. Principally with outside business.

Q. And he had to do with this business of the department?—A. Principally with that business of the department.

Q. It was chiefly done through him?—A. He is looking after the work.

Q. And what else?—A. That is all the answer I can give you to that.

Q. And looking after the moneys, payments?—A. No.

Q. No?—A. He has nothing to do with payments. There might be an occasional time when some one would pay him a bill, but very seldom.

Q. You give him money to pay accounts?—A. Sometimes.

Q. I thought so. You give him money to pay accounts. He pays some accounts in the Department?—A. If we authorize him to pay an account he goes and pays it.

Q. You give him the money in this case?—A. We have, I suppose, in some cases; I have no particular case in my mind. I know he has done it.

Q. Now then, do you think that you can in a way approximately give the evidence he could give if he was here?—A. I don't know what evidence he could give if he was here.

Q. You don't, eh?—A. I don't know any evidence he could give, other than tell about the work. That is all the evidence I konw of, Mr. Watson.

Q. When will he be back?—A. He might be back any time.

Q. Where is he to-day?—A. I don't know.

Q. Eh?—A. I don't know.

Q. Where was he on Saturday?—A. I don't know. I have not had a word from him since he left home.

Q. You have not had a word from him since he left home?—A. But I believe my bookkeeper had some communication from him from Boston.

Q. When?—A. I do not know. He wil have to answer that for himself.

Q. Did you get information from him?—A. I got no information from him.

Q. Or the bookkeeper?—A. He gave me information that he had been in communication with him. At what time I don't know.

Q. When did he give you the information?—A. He gave it to me to-day because I asked the question.

Q. To-day. But you did not ask him when it was he heard from him?—A. I think I did, but I don't remember what he told me.

Q. That was just to-day?—A. Yes.

Q. A pretty poor memory?—A. Well, I have a poor memory.

Q. You could not remember much about yesterday if you cannot tell what occurred to-day?—A. I might remember my childhood and not remember what took place yesterday.

Q. What conversation did you have with the bookkeeper?—A. Outside the Court room or at the office, I could not exactly tell you.

Q. You could not tell where it was?—A. I could not tell.

Q. That is within the last hour?—A. I might have asked him outside the office according to the time, I might have asked him inside the office.

Q. Can you tell what he said in answer?—A. He said he had a telegram from him from Boston. The day and the hour I do not know.

Q. What else was said?—A. Nothing else that I know of. That was the answer he gave me to the question I put to him.

Q. Nothing else that you remember of?—A. Nothing else that I remember of.

Q. You cannot remember?—A. No, I do not remember.

Q. You do not remember?—A. If you refresh my memory with a few things, perhaps I could answer them, but off hand—

Q. You think perhaps it is a question of how much I know?—A. I don't know word for word what took place.

Q. Will you find out?—A. Yes, sir.

Q. Will you telegraph for him to come here?—A. If we can find where he is located.

Q. There is a telegram from him to-day?—A. No, sir.

Q. When?—A. I don't know. I only heard he had telegraphed.

Q. You asked the date?—A. No, he did not give me the date.

Q. Don't you know the date?—A. I may have asked him, I don't remember.

Q. Will you endeavour to ascertain where he is?—A. Yes, I certainly will, I am going to have him here if it is possible.

Q. I am much obliged. It is possible, of course.—A. If we can get in touch with him we will have him here as soon as the train can bring him here.

Q. It is his duty to report to you?—A. Yes, sir.

Q. Every employee does when he goes out for business purposes?—A. This is a different business from the ordinary business round every day.

Q. That will make it the more necessary to report, special business?—A. Perhaps so.

Q. Have you got the book-keeper?—A. Is he here yet, Mr. Wilson?

Q. What is the total amount of the account standing against Mr. Parsons?—A. Well, the books will have to tell that.

Q. Oh, no no. You have looked it up?—A. Somewhere in the vicinity of three hundred dollars, but when you come to ask me to tell you the total I cannot answer that.

Q. Somewhere in the vicinity of three hundred dollars. You have been going over the matter to-day?—A. Not that I know of.

Q. Eh?—A. No, I have not.

Q. Who has been going over it?—A. I don't know of anyone going over it. I have been sitting here all the day practically.

Q. You do not know of anyone going over it?—A. I do not.

Q. What is the account for?—A. A hot water boiler in his house, one thing and another thing, some plumbing here within two or three months.

Q. How many years ago was it the work was done for him?—A. Five or six years ago, the first transaction was five or six years ago.

Q. Has that account of five or six years ago—just answer directly, please—has ever been paid, yes or no?—A. No, it has never been paid.

Q. You said the work was done at his house?—A. At his house on Park Street, before he took possession in the dock yard, before he went there to reside.

Q. That is the residence he afterwards sold?—A. I presume he sold it or hired it or something.

Q. Did he ask you to do the work for him?—A. Yes, sir.

Q. Whom did he ask, you or Mr. Hines?—A. Well now, I cannot tell you, it is so long ago I cannot tell.

Q. I see. Have you any personal recollection about it?—A. At the present moment, Mr. Watson, I have not the slightest recollection.

Q. Not the slightest recollection?—A. No, not the slightest recollection now at the present moment. It might have been through me or the foreman, I cannot say.

Q. Did you take part in the work yourself?—A. No, I did not.

Q. Who did?—A. Mr. Hines, the foreman.

Q. Mr. Hines, the foreman, superintended it. Is he just a superintendent or a workman, is he a working foreman or a superintending foreman?—A. I don't know how you would class him. He works if it is necessary to work, and at times he will superintend the works under construction.

Q. He gets the same remuneration whether he works or not?—A. Eh?

Q. He is on salary?—A. He is on wages, weekly wages.

Q. I see. Then it would depend on the extent of the job and the work and the pressure whether or not he would put a hand in?—A. That is about it.

Q. That is the way it goes. Is the book-keeper here yet? Did you tell the book-keeper to take the book away?—A. No, I did not. I did not know he was away or the book was away.

Q. Why would the book-keeper take the book away do you think?—A. I have no idea.

Q. Now, here is one account. I understand there is another?—A. Yes, sir.

Q. There is another account. Is it not there?—A. Yes, there is another account.

Q. Quite so. This one at page 188, that is 'To balance carried forward January 1, 1904, \$126.' Where is that carried forward there?—A. You will have to ask the book-keeper.

Q. Eh?—A. I don't understand the books in the slightest degree.

*By Hon. Mr. Cassels:*

Q. Do you mean to say you do not know enough to know where it is carried forward?—A. No, sir. I am not familiar at all with them, I have never had any training at it and do not presume to know anything about them.

*By Mr. Watson:*

Q. What is this, O. L. 572?—A. You will have to get the book-keeper here.

Q. That is old ledger, is it not?—A. Perhaps it is.

Q. Page 572. Have we got that?—A. That is what he has gone for. Then this is carried forward and there is a further account in 1894 and 5 and 6. No payments on account apparently?—A. That is not because he was not dunned for it.

Q. I did not ask you that. Any payments for it?—A. I do not know.

Q. How do you know he was dunned for it?—A. Because my book-keeper told me.

Q. Oh, your book-keeper told you. Now, are you aware that your book-keeper has stated—not in court—the opposite to me?—A. Well, he did not state that to me outside the court, and I know myself he did, I know at times I have called his attention to it. 'How long has this account of Mr. Parsons been going?' And he would say—

Q. What?—A. I have called his attention to it, asked him how long this account of Mr. Parsons' had been running, and he would say, 'I have dunned him. If you can get it out of him I cannot.' There is not a more legitimate account in that book than that one.

Q. Well, we will see how it looks on its face. Now, in 1904 that was that you dunned him, was it?—A. I don't know when it was.

Q. Come now, when it, he told you that in 1904?—A. I could not tell you, sir, I don't remember.

Q. Or was it 1903 he told you that?—A. I don't remember.

Q. You do not remember. Will you swear it was not in 1903 that your recollection is he told you that?—A. No, sir, I would not swear to that.

Q. So that according to your present statement you may have been told in 1903 that no money could be got out of him: That is right, is it?—A. It may have been so.

Q. I see. You are a business man, you look after your accounts and look after your moneys?—A. Yes.

Q. Then assuming that was so, you were told in 1903 that no money could be got out of him, how does it come that after that the account was doubled?—A. Well, if I remember the transaction right he told me he would pay cash for the last work done, and both my brother and myself were opposed to it.

Q. But yielded to the book-keeper?—A. No.

Q. You yielded to whom?—A. I don't know who we yielded to, but we yielded when we should not have done it, when he had not paid his last account; and I think Mr. Parsons can state that himself.

Q. So you have had an account in January, 1904, that had been standing for some considerable time: That is right, is it not?—A. Yes, that is correct.

Q. The beginning of 1904, an account that had been standing for some considerable time?

(At this point the light failed.)

Mr. WATSON.—The reporter cannot see.

Hon. Mr. CASSELS.—Then we had better adjourn till ten o'clock to-morrow.

Mr. WATSON.—I hope the gas may be fixed by to-morrow so that we may be able to sit to-morrow evening.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—Will you remain here, Mr. Longard, until your book-keeper comes?

—A. Yes, sir.

Q. And then be here to-morrow morning at ten o'clock?—A. Yes.

Q. We left in darkness in the meantime.

(Adjourned at 4.35 p.m. to 10 a.m. to-morrow, December 1st, 1908.)

Halifax, December 1, 1908, 10.45 a.m.

Mr. LONGARD.—My lord, my brother, Mr. C. L. Longard, telephoned me about a quarter to ten that he was not able to come out this morning. I don't know what is the matter with him, I did not see him.

Hon. Mr. CASSELS.—Who is this gentleman?

Mr. WATSON.—This gentleman who is speaking I understand is a brother of Mr. Longard whose examination I was going to resume this morning. He says that he received a telephone communication from the witness about a quarter to ten stating that he was feeling very ill.

Mr. LONGARD.—He was too unwell to appear in court this morning. Whether or not I cannot state.

Mr. WATSON.—I do not quite understand the position, my lord. You have not seen him?

Mr. LONGARD.—I have not seen him.

Mr. WATSON.—Has anyone seen him?

Mr. LONGARD.—Not that I know of. Mr. Wilson was in communication on the telephone. Perhaps he can give you more information than I can. He is in court.

Mr. WATSON.—I wish you would be good enough to take a cab and drive up and bring him down.

Mr. LONGARD.—I will if he can come.

Hon. Mr. CASSELS.—He must come unless he is very ill. If he cannot come you had better take a reputable doctor and let him be sworn under oath to say why your brother cannot come.

Mr. WATSON.—The Halifax Salvage Company.

WILLIAM S. DAVIDSON, Sworn.

*By Mr. Watson:*

Q. You represent the Halifax Salvage Company?—A. Yes, sir.

Q. What is your position in that company?—A. I am a member of the firm of G. S. Campbell & Co., agents, also secretary of the company.

Q. Who is the manager of the company?—A. The firm of G. C. Campbell & Co. are the managers.

Q. Eh?—A. The firm of G. S. Campbell & Co. are the managers. There is no individual manager.

Q. Not any individual manager?—A. No.

Q. Who is the president of the company?—A. The company is not organized to the extent of having a president.

Q. I see it is called the—A. Halifax Salvage Association.

Q. The Halifax Salvage Association, Limited?—A. Yes.

Q. Then being a limited association or company, I assume it is incorporated?—A. It is incorporated and in process of election of officers. The election of officers has not been undertaken beyond my being appointed secretary in the meantime.

Q. Then when was the company formed?—A. About a year ago.

Q. A year ago?—A. Yes.

Q. It was not doing business in 1906, then?—A. Oh, no.

Q. It commenced business in the autumn, in November of 1907?—A. I could not tell without referring to the books in connection with the—

Q. Could you tell within six months of the time it commenced business?—A. The autumn of 1907.

Q. Yes.—A. They commenced earlier than that, they commenced—

Q. That is about a year ago, the autumn of 1907?—A. Yes. They commenced in the early part of the summer of 1907.

Q. Not in business in January, 1907, then?—A. They might have been. I would have to refer to my books to see.

Q. It might have been the autumn of 1906?—A. I don't think.

Q. You are not quite sure?—A. I know they commenced operations on salvage work in the spring of 1907. That is about the time I had in mind as to the starting of the actual work of the organization.

Q. I am just anxious to know for instance for the officials so as to follow up the transactions so far as they affect the commission here. Do you know Captain Johnston?—A. Yes, sir.

Q. How long have you known him?—A. Oh, I have known him a long while.

Q. A long while?—A. Yes.

Q. And you had more or less transactions with him as captain of the *Lady Laurier*?—A. No, I have not had many transactions with him as captain of the *Laurier*.

Q. Not many?—A. Very few.

Q. Some?—A. I can only recollect the *Mount Temple*, that is the only one that I can recollect of.

Q. What year was that?—A. That is a year ago to-morrow, that would be December, 1907, December 2nd, 1907.

Q. December, 1907?—A. Yes

Q. Did you have any other transactions with him than in respect to that?—A. No.

Q. That was the *Mount Temple*?—A. Yes. That is the only one.

Q. How much money did you pay him?—A. The Halifax Salvage Association.

Q. Yes.—A. Paid him \$400 through Beazley Brothers.

Q. \$400 through Beazley Brothers?—A. Yes.

Q. Have you got your cheque?—A. I think it is in there.

Q. Will you find it please?—A. (Witness looks up cheque).

Q. This is dated October 22nd, 1908, Beazley Brothers or order \$400.  
(Cheque marked Exhibit 386).

Q. Who signed that?—A. I did.

Q. You signed it?—A. Yes.

Q. Who compose the firm of G. S. Campbell & Co.?—A. George S. Campbell, myself and R. A. Corbett.

Q. Let me see your book containing any entry. Is there any other cheque that was intended for Mr. Johnston?—A. No, that is all. (Produces books).

Q. This was for Mr. Johnston, was it?—A. Oh, yes.

Q. Not for Beazley Brothers to do as they liked with?—A. Oh, no. That was for Beazley Brothers to pay to Captain Johnston.

Q. This is the cash-book of the association?—A. Yes.

(Book marked Exhibit 387).

Q. I see this commenced in March, 1908?—A. March, 1908.

Q. March, 1908?—A. Yes.

Q. There is another cash-book I suppose before this?—A. No. Previous to this, you see, we hadn't any occasion for cash-book entries, and it was only started up at that time. Any expenses paid previous to that time are only memorandum expenses.

Q. Now, here you have got on October 22nd, Bazeley—you call it Bazaley, do you?—A. Yes.

Q. I have been calling him Mr. Beazley. Mr. Bazeley, account *Lady Laurier's* service—Oh, Bazeley account *Lady Laurier* services?—A. Paid Bazeley. Yes.

Q. *Lady Laurier* services *Mount Temple*. That is the way it is entered in your book?—A. Yes.

Q. I see. Then that was paid for the service of the Dominion steamship *Lady Laurier*?—A. No, it was not.

Q. That is the way it is entered in the book?—A. I know our cashier entered it that way but that is not the way it is paid. That is his way of entering it.

Q. What is the cashier's name?—A. Blois.

Q. That is the same name as one of the Captains, is it not?—A. Yes, but not a relative.

Q. Not a relative?—A. No.

Q. What ship is Captain Blois captain of?—A. He was on the *Aberdeen* last that I knew of. I don't know what he is on now.

Q. So that the entry in the book, you say, this on page 9, is not really an accurate entry?—A. No; that is the interpretation our cashier made in making his entry from the stub of the cheque book.

Q. Let us see the stub cheque book?—A. (Witness produces stub cheque book.)  
(Marked Exhibit 388.)

Q. Whose writing is this on the stub cheque book?—A. The cashier's, you will notice the word service is not there. He added that.

Q. He has got here Bazeley Brothers, *Lady Laurier* account, *Mount Temple*?—A. Yes, sir. No services there.

Hon. Mr. CASSELS.—Just give your evidence witness, It speaks for itself. Just answer the questions and do not interpolate remarks.

By Mr. Watson:

Q. So that the entry in the book we have here corresponds with the entry in the stub of the cheque?—A. The services have been added to it, that is all.

Q. Yes; services of *Lady Laurier*?—A. Yes.

Q. This implies the same thing of course in the cheque book?—A. Not to me it does not, and it was not intended to apply.

Q. When the cheque was signed by you had it been filled out?—A. Oh, yes.

Q. And the stub filled out?—A. Oh, yes; the cashier made the whole transaction of the cheque and the stub together.

Q. So that the cheque and the stub were before you when you signed the cheque?—A. Oh, yes.

Q. So that you saw what was written on the stub cheque book at the time you signed the cheque?—A. Yes.

Q. And that is carried forward into the book in the way in which it is entered here?—A. Yes.

Q. Were there any services performed by the steamship in question for you?—A. Oh, yes.

Q. By the steamship in question for you?—A. Yes.

Q. Then did you pay for the services performed by the steamship?—A. No. The Government do not charge for their services.

Q. Oh, I see. You did not pay anything for the services of the steamship?—A. We were not asked to pay, they did not charge.

Q. You would have paid if you had been asked to?—A. I don't think.

Q. Would you?—A. I don't think.

Q. Why?—A. They don't charge for services.

Q. But if they had charged you would you have paid?—A. No.

Q. Would you have resisted payment?—A. Yes.

Q. You would have resisted payment if they had sought to charge you?—A. Oh, yes.

Q. But you got valuable services from the steamship?—A. Yes. But we have had services of the Government steamers before, they don't make charges.

Q. But I am asking you, Mr. Davidson, if you please, assuming that they rendered valuable services—the steamship did, as you say, in this case, render valuable service—and assuming that a charge had been made, would you have resisted payment for the services so rendered?—A. Yes.

Q. You would?—A. Yes.

Q. I see. Do you do so with others?—A. No.

Q. And you would have treated the Department of the Government differently from others rendering services?—A. Quite so.

Q. Is that upon principle?—A. On the practice of the Government in not charging for their services.

Q. But assuming the practice had been changed, you would still have resisted?—A. Yes.

Q. You still would?—A. We tried to break down the introduction of a new element in making us pay when others were not paying.

Q. It is just following upon that I would like to know what others here have received services from the *Lady Laurier* and have not paid for them?—A. I don't know.

Q. But I thought you said that was the custom and others were receiving services?—A. It is the custom.

Q. Well, what evidence have you got of the custom?—A. Oh, the only evidence I have that generally in the event of a vessel being in distress or trouble you apply—

Q. Do you know of any case?—A. I am answering your question. You apply to the Minister of Marine and the services of the boats are granted. The only case I can give you personally is the *Newfield* that came under my notice, where we applied for the services of the *Newfield* and it was granted without any charge.

Q. So you do not know of any case of the *Lady Laurier*?—A. I do not know definitely, I presume.

Q. Never mind presuming?—A. I would not be in a position to know, I was not interested personally.

Q. I ask do you have any knowledge by information or otherwise of the *Lady Laurier*?—A. No definite knowledge. I have a general knowledge that that is the practice. The department would be able to explain that.

Q. I am not asking about that?—A. They made no charge for the *Laurier* in this particular case.

Q. What?—A. They made no charges for the services in this particular case, they made no charge for the services in the case of the *Newfield*.

Q. Are you answering my question?—A. I presume so.

Q. Then I understand you have no personal knowledge or no direct information that the *Lady Laurier* has ever rendered service to anyone except yourselves and not charged for it; that is right?—A. That is right.

Q. And the same with the *Aberdeen*, is it?—A. I don't know anything about the *Aberdeen*.

Q. Then you say on one occasion the *Newfield* steamship rendered services for you?—A. Yes.

Q. When was that?—A. Oh, a number of years ago.

Q. What year?—A. I could not tell.

Q. You could not tell?—A. It might be 15 or 16 years ago.

Q. I thought you had recollection of it?—A. I have recollection of the incident, I have no recollection of the year or date, it is hardly possible.

Q. Can you tell within ten years?—A. It was within 23 years.

Q. It was within 23 years, oh, I see. But I asked you if you could tell within ten years—A. No, I cannot.

Q. You cannot tell within ten years of the time?—A. No.

Q. Not a very good memory Mr. Davidson?—A. I think not. It is a pretty long while to remember.

Q. I asked if you could remember within a period of ten years?—A. Pardon me, within the last ten years?

Q. Can you remember the date within a period of ten years before or after it?—A. Yes. It was in a period of 23 years ago, it would be within the period of ten years previous to that.

Q. But you change the question to 27 years instead of ten?—A. I say it is in that period.

Q. I did not ask within 23 years. I asked could you tell within a period of ten years. You are getting a little bit away from the question I am afraid. However, apparently you cannot tell?—A. It was not of importance.

Q. How were you engaged at that time?—A. To go to the rescue of a ship that it was reported had stranded.

Q. Who were you acting for at that time?—A. Acting for our firm.

Q. What firm?—A. The firm at that time was F. D. Corbett & Co.

Q. Were you a partner of that firm at that time?—A. No.

Q. Not at that time?—A. No.

Q. F. D. Corbett & Co. And what services did the *Newfield* render to F. D. Corbett & Co., at that time? Tell me particularly?—A. They went to Halifax, they reported the position of the vessel at Seal Island, they found her a hopeless wreck, landed at Sheke Harbour and returned home.

Q. That I understand was before 1895?—A. I should judge it would be.

Q. You should judge it would be before 1895. At that time, somewhere within a radius of 23 years. At that time how old were you about?—A. I am 43 now.

Q. Then we take 23 from that, you were pretty much of a youth at that time. Did you have any interest in the matter at that time?—A. What interest?

Q. Any financial interest?—A. Oh no.

Q. Do you know how much was paid for the services at that time?—A. Nothing paid.

Q. For other services by the firm of Corbett & Co.?—A. Services in connection with that vessel?

Q. Yes, by others?—A. There was nothing paid.

Q. Nothing paid to anybody?—A. No, there was nothing to pay. The ship was a hopeless wreck. The government steamer returned.

Q. And how much did Corbett & Co. receive, have you any personal knowledge?—A. Oh no.

Q. You have no personal knowledge?—A. No.

Q. You had no knowledge of the financial transactions of the firm at that time?—A. Yes. I cannot remember a detail of that kind.

Q. Corbett & Co., did not receive anything?—A. I could not say. I would have to refer to documents.

Q. I see. That is just what I want to lead up to. So you cannot say whether Corbett & Co. received anything, and not having received anything you cannot say—at least you do say they did not pay anything to the government at that time?—A. They were not asked to pay.

Q. I see. And was it based on that whole transaction of the *Newfield* that you would have resisted payment to the department if it had asked for it in respect of the *Mount Temple*, was it based upon that?—A. That would have been our definite—one definite reason, but on the general knowledge that they did not charge for the use.

Q. But I have asked you about that general knowledge. You say you have not much?—A. We would resist it on our knowledge, which is satisfactory to us, that they do not charge.

Q. Yes. Then did you see Captain Johnston yourself?—A. In connection with the *Mount Temple*?

Q. Yes.—A. Yes.

Q. Where did you see him?—A. I first saw him on board the *Mount Temple* the morning that she stranded.

Q. Yes, after she was landed where?—A. After she was stranded.

Q. Yes, after she was stranded. What services did he render to you, Captain Johnston?—A. Personally?

Q. Yes.—A. Well, I went over to the *Mount Temple* on one of our steamers—

Q. Never mind what you did. I am asking you what he did. Now, please, what services did he render to you?—A. I am trying to tell you.

*By Hon. Mr. Cassels:*

Q. Just mention the question.—A. He brought me to the *Mount Temple* on the first occasion from Halifax, from the wreck.

*By Mr. Watson:*

Q. He brought you from the wreck to Halifax?—A. Yes.

Q. That is the service he rendered to you?—A. Yes. And also—

Q. Just wait, please. That he rendered as captain of the ship?—A. Oh yes.

Q. Yes, using the ship for the purpose?—A. Yes.

Q. Your special purpose. And what is the next service he rendered to you?—A. Sending of Marconi telegrams on the trip over in connection with affairs at the wreck.

Q. Yes. When did he send those telegrams?—A. During the voyage home.

Q. During the voyage home you were on?—A. I was on board.

Q. So you were helping, I suppose, to send the messages?—A. I wrote the messages and asked Captain Johnston to have them transmitted for me.

Q. Who did the transmitting?—A. The Marconi operator.

Q. How much did you pay the operator?—A. I did not pay him anything.

Q. So that you wrote out the message and you asked Captain Johnston to hand the message to the operator: Is that right?—A. I wrote out the messages and asked Captain Johnston if the operator could send them for me, and took them to the operator.

Q. Then they were given to the operator?—A. Yes.

Q. And what service did Captain Johnston render to you then?—A. Permission to send Marconi telegrams on that occasion, giving me a passage to Halifax also.

Q. That is, he directed another employee on the ship to send the messages for you, was that it?—A. Yes.

Q. Yes, that was it. That was the service in his capacity as captain of the ship?—A. Yes.

Q. Then what other service did he perform for you?—A. Nothing definite of a personal nature.

Q. I see.—A. He called me on the 'phone on one or two occasions and said the ship was going over and if I wished a passage over he would be glad to take me over. I was not going over and did not avail myself.

Q. That is, he offered to take you over on the steamship *Lady Laurier* if you were going?—A. Yes.

Q. That was as captain of the ship?—A. Oh, yes.

Q. And that is all, I understand?—A. That is all personally.

Q. I see. So that as captain of the ship he carried you on one occasion on the ship, on another occasion he received a message written out and directed an employee to have it sent, and on another occasion he called you up by telephone and offered to carry you on the ship somewhere else?—A. Yes.

Q. And for these services you paid him \$400?—A. Oh, no. There was information that Captain Johnston gave me, on behalf of the Halifax Salvage Association in addition to that.

Q. I asked you what services?—A. I thought it was personal services.

Q. Well, did you pay him for these personal services?—A. It was all combined.

Q. Oh, I see.—A. But in addition to that Captain Johnston—

Q. Then, what other services did Captain Johnston render?—A. In connection with the *Mount Temple* he had several visits to her.

Q. This same ship?—A. Yes, he had several visits there.

Q. He had several visits there?—A. Yes, he talked over the possibilities.

Q. Just wait, please. Several visits there on the *Lady Laurier*?—A. Yes.

Q. Taking the *Lady Laurier* and the whole of the crew of the ship with him?—

A. Yes.

Q. He did not go off the *Lady Laurier* that you know of?—A. Not at this time. On his return he would talk over the possibilities of floating the *Mount Temple*.

Q. On his return where?—A. To Halifax.

Q. Well, did you know your business at that time?—A. What business?

Q. The business that you were engaged in. Were you competent to transact the business?—A. Oh, yes.

Q. Did you have experts and skilled men sufficient to transact business of that kind on your own behalf?—A. Yes.

Q. Was it necessary to go outside to get advice and information?—A. Not at all. It was voluntary. We did not seek it.

Q. You did not seek it?—A. No.

Q. You did not require it for the purpose of your business?—A. No.

Q. So that on how many occasions, one or two occasion, he kindly volunteered some information which I suppose you already had?—A. Well, I don't know.

Q. You don't know whether you had it or not?—A. The *Mount Temple* was a very large contract and there was a great deal of controversy as to the success of the project or not. Captain Johnston was one of those who felt all the time from his personal knowledge the ship would be floated.

*By Hon. Mr. Cassels:*

Q. Did Captain Johnston demand this of you or was it a gratuity?—A. A gratuity. And while there was practically no one in Halifax that thought the thing could be successfully carried through, I mean to say except Captain Johnston, he seemed to be continually saying, 'Keep at that thing, you will float it.'

*By Mr. Watson:*

Q. What did you think about it yourself, that it was hopeless?—A. We thought we were going to float it.

Q. I see, you were not hopeless about it. Then what time was it you made up your minds to pay him?—A. Oh, we were closing up the Mount Temple venture.

Q. When you were closing it up?—A. Yes, at the time of closing up.

Q. Wait, please. At the time he was doing these services you have spoken of had you in mind you would pay him then?—A. Oh, yes.

Q. Oh, yes, you had that in mind then?—A. We always pay everybody in salvage operations that give assistance.

Q. So at the time the Marconi message was sent that you referred to you had in mind to pay him then?—A. I don't know, that was too early.

Q. Listen. At the time he carried you in the steamship?—A. I had in mind to pay him for that. I had not at that time.

Q. That you would make him some compensation?—A. Nothing at all, there was nothing arranged. At that time I did not know there was going to be anything arranged.

Q. Then you had discussion with Mr. Bazeley about it?—A. About the payment to Captain Johnston?

Q. Yes.—A. We did not have any discussion.

Q. Well, did you have any talk?—A. Yes, talk; no discussion.

Q. When was it you had a talk with him?—A. That is the closing up of the Mount Temple venture.

Q. About what date?—A. Oh, here I suppose last spring sometime, we were talking about paying gratuities to various parties interested.

Q. Wait, please. I asked you when it was you had a talk with him. You say it was last spring?—A. It would be last spring.

Q. Yes. Did you say then to Mr. Bazeley that Captain Johnston had rendered services?—A. Oh, yes.

Q. You said that?—A. Yes.

Q. As captain of the *Lady Laurier*?—A. Yes.

Q. And who was it that suggested first, you or he, that money should be given to captain Johnston?—A. I don't remember.

Q. You don't remember?—A. Probably I would.

Q. Eh?—A. Probably I would.

Q. Oh, probably you would?—A. More likely I would.

Q. Why more than likely you would?—A. Well, I was closing up the accounts of the venture and they were paying gratuities to various persons in connection with it, and I said Captain Johnston must be paid something.

Q. How much did your firm get out of that?—A. Out of which?

Q. Out of that Mount Temple business?—A. I will have to appeal to the judge whether I must answer that question.

*By Hon. Mr. Cassels:*

Q. Yes. I want you to answer it and I want to see your ledger showing the account.—A. I don't mind showing the ledger. Should we open—

Q. Yes, I want to see what the entry is in your ledger in regard to this payment?—A. My lord, this is a matter entirely outside of the Marine and Fisheries Department.

Q. It is not a matter outside of the Marine and Fisheries Department.—A. I consulted the head of our firm on that point. He said he did not think we should be asked to divulge in the court our private business.

Q. The head of your firm is not presiding in this court. I think it is a matter of very great importance that the entry in your ledger should be shown.—A. It is all shown in our ledger.

Q. Just show your ledger to Mr. Watson. The ledger would show how that item was entered.—A. (Witness opens book.)

Mr. WATSON.—Where is this account of Captain Johnston here, where is the entry? That is the entry, is it (indicating)?—A. Yes.

(Ledger marked Exhibit 389.)

Q. The entry, my lord, on page 2 of the ledger is the same date. “*Lady Laurier* \$400.”

Hon. Mr. CASSELS.—I suppose that will answer all the purposes.

Mr. WATSON.—Yes.

Q. Captain Johnston’s name does not appear there at all?—A. No.

Q. Whose writing is that in the ledger?—A. That is mine.

Q. It was not a mistake of the bookkeeper that time?—A. I would post up what the bookkeeper made. I did not give it a moment’s thought about the transaction. There are transactions going on with the Marine Department every day.

Q. Show me the figure, how much was received altogether?—A. (Exhibits entries to counsel in day book.)

Q. The foot of that page shows.

Hon. Mr. CASSELS.—Yes, I do not suppose that is of any moment.

(Day book marked Exhibit 390.)

*By Mr. Watson:*

Q. At all events it may be assumed, Mr. Davidson, that it was a very profitable transaction for your company?—A. Oh, yes. We earned it all though.

Q. Oh, yes. It should appear, I think rather it does appear, putting it more accurately, that the three firms, that is Campbell & Co., Beazley & Co., and Corbett & Co., are really carrying on that business in another name for themselves, that is what it is really, it is the three firms carrying on business and choosing that name to carry it on in?—A. Yes. We each have respective wrecking plants and combine them under the name of the Halifax Salvage Association.

Q. So it is convenient for these three firms sometimes to combine, and then when they combine to have a name to use. That is really the situation, is it not?—A. No, that is not the situation.

Q. I thought it looked like that?—A. There is no one of the three firms has an entire wrecking plant.

Q. Then I say you combine?—A. But we cannot float a ship on our own responsibility, Beazley cannot on his, Brookfield cannot on his; therefore we combine for the interest of plant, not for the interest of making a combine.

Hon. Mr. CASSELS.—I do not think Mr. Watson did mean it as a combine.—A. It is a peculiar interest, my lord.

Q. A union of interests, that is all he meant.

Mr. WATSON.—I do not think it is any combine within the statute or anything prohibited.—A. I did not have that in mind. I thought you meant a combine to get big prices from the people.

Q. I did not.—A. I thought that was in your mind.

Q. A joint enterprise occasionally by the three firms?—A. Oh, no. We have an arrangement that we work as the Halifax Salvage Association.

Q. Well, all right then. Why did you not pay Captain Johnston directly instead of paying to Beazley Brothers?—A. Well, Captain Johnston and Mr. Beazley are on intimate relations.

Q. Oh, are they?—A. And Mr. Beazley spoke to Captain Johnston about—

Q. In your presence?—A. Not at the start.

Q. In your presence did he speak to Captain Johnston?—A. Pardon me. He spoke to Captain Johnston about getting the services of the *Laurier*.

Q. Then you don’t know what he said?—A. I know he had the man at his office. I presume the effect of what he said.

Q. You have no personal knowledge of that?—A. Only from the effect of Mr. Beazley’s speech that he came to Mr. Beazley’s office.

Q. He got him into his office?—A. Yes.

Q. Then it was because of the intimate relations for the most part between Mr. Beazley and Captain Johnston that the money was sent to Beazley Bros.: that is right.—A. Yes, Mr. Beazley was paying certain bills in connection with it other than to Captain Johnston.

Q. I did not ask you that?—A. I want you to know it.

Q. You are very kind?—A. I like the court to know it. I think the court should know everything possible.

Q. You think the court should know you are a bit of a lawyer yourself?—A. A lawyer?

Q. Yes.—A. No, I am glad of it. It is a bad enough business.

Hon. Mr. CASSELS.—Witness, I think you had better give your answers without any remarks.

Mr. WATSON.—Well, then, at all events you paid to Bazeley Brothers. Did you know how much Bazeley Brothers had paid to Captain Johnston or were to pay?—A. They were to pay him \$400.

Q. Did you know they were paying him anything else?—A. Not until—anything else on behalf of the Halifax Salvage Association?

Q. Yes; or on behalf of anyone else?—A. No, I did not know.

Q. You did not know?—A. No.

Q. Then did G. S. Campbell & Co. make him a payment?—A. Make who?

Q. Captain Johnston?—A. No, that is the only payment made to Captain Johnstone by the Halifax Salvage Association.

Q. I know the Halifax Salvage Association, but?—A. Or G. S. Campbell & Co.

Q. What about Corbett & Co.?—A. They are out of business, they have been for eight years.

Q. There are only two interests then?—A. Oh, no.

Q. What is the third interest in the business?—A. In which business?

Q. The Halifax Salvage Company?—A. There are Bazeley Brothers, S. M. Brookfield & Son, and G. S. Campbell & Co. Corbett & Co. were out of business eight years ago.

Q. I was thinking of Corbett & Co. instead of Brookfield. Then did Brookfield & Son pay him anything, do you know?—A. Not out of the funds of the Halifax Salvage Association.

Q. But do you know whether they paid him anything?—A. I don't know.

Q. You would not know?—A. No.

Q. Did you say you would or you would not know whether Campbell paid him anything?—A. Yes.

Q. You would know?—A. Yes.

Q. They did not?—A. No.

Q. Then did you pay anyone else on the *Lady Laurier*?—A. No, we did not pay anyone else.

Q. You did not pay anyone else?—A. No.

Q. Did anyone else on the *Lady Laurier* ask for compensation?—A. No.

Q. Then did I understand this was compensation for services or a gratuity?—A. It is a gratuity that we give to all persons interested.

Q. Will you stop, please. You have answered the question. Gratuity, not compensation for services?—A. Not compensation for services, gratuity.

Q. A gratuity in his position as captain of the *Laurier*?—A. Yes.

By Hon. Mr. Cassels:

Q. How long was she engaged at that time?—A. My lord, from the start of the operation until the final towing of the ship was a month.

Q. But how long was the *Lady Laurier* engaged?—A. Engaged in towing the ship here?

Q. And in the work altogether?—A. The ship stranded the 2nd of December, and the *Lady Laurier* was there on the 3rd, and the ship was finally brought to Halifax on the 12th of April.

Q. Then was the *Lady Laurier* there all the time?—A. No. If the *Lady Laurier* was passing, Captain Johnston might drop in to see how the work was progressing, because they were in a very out of the way place.

Q. Would it be more than one or two days?

*By Mr. Watson:*

Q. Eight or ten days?—A. Oh, I should think it would.

*By Hon. Mr. Cassels:*

Q. Several days?—A. Several days.

Q. Have you heard anything of the *Hestia*?—A. The *Hestia*?

Q. Yes. You knew she had been raised?—A. Yes, we worked at her.

Q. Did you know that a claim had been made by the government?

Mr. WATSON.—I was going to follow that up, my lord.

Hon. Mr. CASSELS.—All right, I thought you had finished, Mr. Watson.

*By Mr. Watson:*

Q. That is all you say now with regard to the *Mount Temple*?—A. Yes.

Q. Now, did you have any other transaction with Captain Johnston?—A. In what regard?

Q. Oh, in regard to business matters?—A. No.

Q. No. Then did you take any part in regard to the *Hestia*?—A. Not as the Halifax Salvage Association.

Q. In what way?—A. The Halifax Tow Boat Company, of which we are agents, had a boat employed there.

Q. The Halifax Tow Boat Company?—A. Yes.

Q. That is another name, is it?—A. Yes.

Q. Who are in that Halifax Tow Boat Company?—A. Well, Mr. Campbell, Mr. Archibald, and Mr. Corbett.

Q. That is another firm?—A. They are individuals.

Q. Is that the same G. S. Campbell & Co.?—A. No, Mr. Campbell is head of the firm of G. S. Campbell & Co.

Q. That is a little different combination?—A. Yes.

Q. That is the Halifax Tow Boat Company?—A. Yes.

Q. Then did Campbell & Company, have anything to do with the *Hestia*?—A. As agents of the Halifax Tow Boat Company.

Q. As agents of that company?—A. Yes.

Q. They are all intertwined, principal and agent apparently. Then what services did the Halifax Tow Boat Company render in regard to the *Hestia*?—A. We had a boat working there part of the time about the floating of her and assisted to tow her to Halifax with the tug *Douglas Thomas* of the Dominion Coal Company.

Q. Then who towed her to Halifax?—A. The *Douglas Thomas* and our tug, the *F. W. Roblin*.

Q. Those two ships towed her to Halifax?—A. Yes.

Q. Then the *Lady Laurier* did not have anything to do with towing her to Halifax?—A. I don't think she did. She worked at her at the first part of the operations and towed her into Shelburne.

Q. Then why did the *Lady Laurier* accompany her to Halifax?—A. I don't know.

Q. There was no business reason for it?—A. There was a humane reason for it. If she did it there was a humane reason.

Q. Do you know whether there was a reason for it?—A. I know the reason for it.

Q. What was the reason?—A. I don't know she did accompany her but if she did, there was every reason she should accompany her.

Q. You say you do not know whether she did or not?—A. No, I am saying—

Q. Then if you do not know whether she did or not, can you tell there was a reason why she should?—A. Yes, a very good reason.

Q. Were you told your tug boat and the other boat were not able to do whatever might be necessary to be done?—A. We might not think so with a vessel in that sinking condition.

Q. Were you able to do whatever was necessary to be done?—A. Yes.

Q. You were, I see. Although as a matter of fact the *Lady Laurier* did not perform any actual services that were necessary to be performed?—A. If she accompanied her she did a very necessary service.

Q. To your knowledge she did not perform any services that were necessary to be performed?—A. I cannot see that.

Q. You cannot follow that?—A. I cannot see the difference.

Q. I asked you did she to your knowledge perform any services that were necessary to be performed?—A. I don't know whether she was there or not.

Q. That is your answer?—A. But if she was there it was necessary for her to be there on account of the very bad condition of the *Hestia*.

Q. Wait, please. Then how much did you pay at that time to the *Lady Laurier*?—A. We had nothing to do with her.

Q. You had nothing to do with her. But the Halifax Tow Boat Company?—A. Had nothing to do with it.

Q. Did the Halifax Tow Boat Company pay anything to Captain Johnston?—A. No.

Q. How do you know?—A. I control the payments of the Halifax Tow Boat Company and know they did not.

Q. Then the books are in your possession?—A. Yes.

Q. Will you be kind enough to come here this afternoon with those books of the Halifax Tow Boat Company?—A. Yes.

Q. Then what other company do you control the payments of?—A. The Red Cross Line running between Halifax and New York. Nothing of this nature.

Q. Anything in connection with these matters?—A. Oh no, sir.

Q. That is just G S. Campbell & Co., the Halifax Salvage Co., and the Halifax Tow Boat Co.?—A. Yes.

Q. Then have you personal knowledge as to whether any payments were made by that company to Captain Johnston?—A. On account of the *Hestia*?

Q. On account of anything?—A. Yes, on account of anything. The Halifax Tow Boat Company have never paid Captain Johnston anything. The Halifax Salvage Association paid him \$400.

Q. The Halifax Tow Boat Company never paid him anything?—A. Yes; they never had any business to pay him.

Q. Then the Halifax Tow Boat Company got large remuneration for its services to the *Hestia*, did it not?—A. I cannot tell just the amount. I will show it in the books when I produce them. I cannot remember.

Q. But was it—you would remember, it is only a short time ago—it was full compensation, we will put it that way?—A. I would not like to try and think about it. I will show it to you in my books this afternoon.

Q. You cannot think?—A. It would not be worth my while to be guessing.

Q. Then did the Halifax Tow Boat Company make any presents?—A. To whom?

Q. To anybody at that time?—A. In connection with the *Hestia*?

Q. Yes.—A. They possibly may have.

Q. Do you know whether they did or not?—A. They may possibly have given some gratuity to the *Hestia*, it is customary.

Q. You could not remember?—A. I could not remember. Our books will show it.

Q. You knew after that that the department was claiming compensation for services rendered by the *Lady Laurier* to the *Hestia*?—A. I don't know anything about it.

Q. You heard about that?—A. I heard about that in the court and in the newspapers.

Q. But before that you heard about it?—A. No. I heard Captain Johnston was claiming compensation; I did not hear the department was claiming compensation.

Q. You never heard about the department?—A. No.

Q. Did the *Lady Laurier* to your knowledge give any services for which it might be entitled to compensation?—A. In connection with the *Hestia*?

Q. Yes.—A. I don't know.

Q. I see. Though you were personally engaged in that on behalf of the Halifax Tow Boat Company?—A. It happened over at Shelburne, I was not there at all.

Q. Now, I see by one of the letters here that Captain Johnston wrote that he was entitled, that he should have a claim of \$25,000 for services to the *Hestia*. Were you consulted about that?—A. I was not interested in the *Hestia*.

Q. Not interested in it?—A. To know anything about it, no. We were not agents for the *Hestia*, Messrs. Pickford and Black were.

Q. You were working upon it and got information?—A. We had a tug hired by Pickford and Black at so much a day, we were paid the hire per day and had no further interest about payments to Captain Johnston or otherwise.

Q. But you were communicating with Messrs. Pickford and Black, were you not?—A. What about, sir.

Q. In regard to the *Hestia*?—A. In regard to the *Hestia*?

Q. Yes.—A. Oh, yes, we were communicating with them about the *Hestia*.

Q. They were friends of yours here?—A. Pickford & Black?

Q. Yes.—A. Yes.

Q. Quite intimate friends?—A. Yes.

Q. So you knew what was going on with them more or less?—A. A. I don't understand the question.

Q. Eh?—A. I don't understand that question.

Q. You don't understand the question. Is this your letter, G. S. Campbell & Co. (exhibiting)?—A. Yes.

Q. That is written by you?—A. Yes.

Q. I see this is May 25th, 1906, a letter written to the deputy minister?—A. Yes.

Q. Saying, 'we wish to acknowledge receipt of your several telegrams re government steamer *Lady Laurier* towing the steamer *Hestia* from Shelburne to Halifax.' From that it would appear then the *Lady Laurier* had been towing her? Do you see that sentence? I will read the rest of it. That would seem to be so I thought you said?—A. No.

Q. Let me have the letter, please. I thought you said you had no personal knowledge?—A. That is a thing pre-dated. I will explain that. It is no use unless you will allow me to explain.

Q. You will have the fullest opportunity of explaining. 'We regret that for the second time we have had to trouble you regarding the matter of the *Laurier* doing towing work on our coast. We are engaged in the harbour on coastwise towing business and have considerable capital invested in same, and we are pleased to know that your views agree with ours, that government steamers should not interfere with private interests. We only ask that this be emphatically impressed on Captain Johnston of the *Lady Laurier*. We do not wish to appear narrow in this matter or make any protest against Captain Johnston if at any time he finds a vessel in distress on our coast without any available help and renders all possible assistance and takes the property to the nearest available port, but having done this his interest should cease. We again wish to thank you for your kind interest in the matter, and remain,'—and that letter is signed by you?—A. That is right.

Q. So that you say there, or you refer to the fact of the *Lady Laurier* towing the steamer *Hestia* from Shelburne to Halifax?—A. No. That is what I would like to explain.

Q. Just wait, please. Did you have any knowledge of that—yes or no?—A. I cannot answer that question, my lord, unless Mr. Watson will allow me to explain.

Hon. Mr. CASSELS.—You will get an opportunity to give the fullest explanation. Just answer the question, then later on you can explain.—A. I can explain it very shortly.

*By Mr. Watson:*

Q. Did you have any personal knowledge of that fact?—A. The *Lady Laurier* did not tow the *Hestia* to Halifax, and that letter does not say she did.

Q. The letter speaks for itself?—A. It does not say so.

Q. I did not say it did?—A. I understood you to say the letter said she towed the *Hestia* to Halifax, and I had knowledge of it.

Q. No. I say you make reference here to the fact of the *Lady Laurier* having towed the *Hestia*?—A. I did not make reference—if you will allow me to explain—that is not a reference. You repeat that question, it is not right. You won't allow me to explain. I have a full right to explain.

Q. You may explain?—A. My letter does not say she towed the *Hestia*.

Hon. Mr. CASSELS.—You can explain later.

*By Mr. Watson:*

Q. Listen. ‘We wish to acknowledge receipt of your several telegrams re government steamer *Lady Laurier* towing the steamer *Hestia* from Shelburne to Halifax’?—A. Do you understand the word towing?

Q. Will you stop, please?—A. The word towing, it does not say she towed, I did not say she towed her.

Hon. Mr. CASSELS.—Witness, just answer the question. You will get the fullest opportunity of explaining.

*By Mr. Watson:*

Q. ‘We regret that for the second time we have had to trouble you regarding the matter of the *Lady Laurier* doing towing work on our coast.

Q. What was the former occasion?—A. Of the *Lady Laurier* towing a vessel, from Whitehead, I think it was, to Halifax.

Q. What vessel?—A. I don't know.

Q. You don't know?—A. No.

Q. When was it?—A. I don't know.

Q. When did you make the complaint?—A. I don't know.

Q. Did you make a complaint?—A. I did.

Q. But you cannot tell when?—A. No.

Q. Can you tell within ten years' time?—A. Possibly within two years of that letter.

Q. But do you remember anything about it?—A. No.

Q. You do not remember anything about it?—A. No.

Q. Did you remember anything about it when you wrote this letter?—A. Yes.

Hon. Mr. CASSELS.—What is that second clause you read?

Mr. WATSON.—‘We regret that for the second time we have to trouble you regarding the matter of the *Lady Laurier* doing towing work on our coast.’

Q. When were you objecting to the *Lady Laurier* doing any towing work?—A. When there were available boats. If there were no available boats we did not object.

Q. Listen. At the time the work was done to the *Hestia* there were other available boats?—A. Yes.

Q. You are quite sure about that?—A. Yes.

Q. And that being so, you made objection to the government boat doing it?—A. Yes.

Q. And you refer to the fact that you have considerable capital invested, and so on?—A. Yes.

Q. And you must not be interfered with, and you wanted that to be emphatically impressed on Captain Johnston?—A. Yes.

Q. Why?—A. Because—

Q. It was an occasion?—A. He was interfering with private enterprises, but we made no objection if there were no private enterprises available.

Q. You have said that three times already?—A. Yes, I want to impress it.

Q. I see. In whose interests are you seeking to impress it?—A. I beg your pardon?

Q. In whose interests are you seeking to impress that point?—A. I am seeking to impress it in behalf of my own at the present moment, my firm.

Q. Just for the moment. Well, then, did you speak to Captain Johnston yourself about that matter?

*By Hon. Mr. Cassels:*

Q. Before you leave that matter, Mr Watson, Mr. Davidson, whether it was intended or not, anyone reading that letter would gather that you meant the *Lady Laurier* towed the *Hestia*?—A. My lord, if you will allow me.

Q. I understand the explanation. I only say the letter leaves that impression?—A. It is very awkward for a witness—

Q. One moment. If you take the letter by itself without explanation, the plain meaning of it would be the *Lady Laurier* had towed the *Hestia*, because you go on and refer to previous towing. What you meant is simply this, I presume, you were trying to guard against the *Lady Laurier* towing in future?—A. My lord, Mr. Watson reads a wrong interpretation into my letter.

Q. What is your interpretation?—A. But is there any objection to my reading the letter?

Q. I have read the letter?—A. If I could read it myself I could show the point. I think I am entitled to that.

*By Mr. Watson:*

Q. Can you explain it without reading it?—A. No, I can explain it when reading it.

*By Hon. Mr. Cassels:*

Q. As far as the letter goes, there is no mistake about it?—A. Now, at the time this letter was written, negotiations were being made by Captain Johnston towards towing the *Hestia* to Halifax, and we objected to it, and I wrote this letter. 'We wish to acknowledge receipt of your several telegrams'—we had sent a telegram in connection—'re the government steamer *Lady Laurier* towing the steamer *Hestia* from Shelburne to Halifax.'

Q. I understand it. What I said is correct. Although the letter might be open to that interpretation by itself, in point of fact you were seeking to guard against the *Lady Laurier* towing the seamer *Hestia*?—A. Yes. But the *Lady Laurier* did not tow the *Hestia* at all.

Q. You have said so. You have got your explanation?—A. I think you understand, but does Mr. Watson?

Q. Mr. Watson does, but any one taking that letter without explanation would take it the other way.

*By Mr. Watson:*

Q. Did you write any other letters?—A. I don't know.

Q. Then did you hear from your friends Messrs. Bickford and Black that a claim was being made?—A. I don't think I did.

Q. Eh?—A. I don't think I did. They would not consult us about a matter of that kind.

Q. I am asking whether you heard about it?—A. No, I don't think, I don't remember.

Q. I see in a letter written by Captain Johnston that he says 'that the captain of the *Hestia* estimates our services at least \$50,000.' That is a letter written to Colonel Gourdeau, did you know about that, did you know of any of the services?—A. No.

Q. Well, you did not know of any service at all, I think you said?—A. I know in the ordinary course of intelligence there was a valuable service performed.

Q. You do not know of any towing or work done by the *Lady Laurier*?—A. Yes, I do.

Q. What work do you know of done by the *Lady Laurier*?—A. The *Lady Laurier* towed the *Hestia* in a sinking condition into Shelburne. That was very valuable, in fact, saved her.

Q. How long was the *Lady Laurier* engaged in towing her to Shelburne?—A. Perhaps half a day or a day, or less.

Q. And do you know of any other time spent by the *Lady Laurier*?—A. From general reports.

Q. Well, do you know of any other time being spent by the *Lady Laurier* in regard to the *Hestia*?—A. Yes. She was working at the—

Q. For how long?—A. I don't know.

Q. You don't know how long?—A. No. I know she was reported to be working there by the captain of one of our tugs.

Q. You said you do not know how long, is that right?—A. That is right.

Q. Then, was Captain Schmidt there?—At the *Hestia*?

Q. Was he, yes?—A. I don't know.

Q. Was he about there at that time?—A. I don't know, I was not there.

Q. Did he see you in respect to the matter?—A. The *Hestia*?

Q. Yes?—A. No.

Q. Have you had to do with him in connection with departmental matters or otherwise?—A. Nothing whatever.

Q. Eh?—A. Nothing whatever.

Q. Or with Mr. McConkey?—A. Mr. McConkey?

Q. Yes?—A. Nothing whatever.

Q. And how soon can you get the other books here?—A. What date do you want. Mr. Watson, the *Hestia* dates?

Q. Yes, from 1904 to the present time?—A. I can give you 1904, they are in the sheriff's office.

Q. Up to the present time?—A. There is only that book I will have to send to the office for.

Q. You can get them here in the course of half an hour?—A. I can get them here in five minutes.

Q. Half an hour will do.

I am just looking to see if there was any other letter from your firm.

*By Hon. Mr. Cassels:*

Q. Did it ever occur to you, Mr. Davidson, that it would have been the proper thing to have come to the agent of the Marine Department in Halifax and paid him for the services of the *Lady Laurier*?—A. My lord, we were not paying for the services of the *Laurier*; we were paying Captain Johnston. We never had any other intention, we did not intend to pay anything for the services of the *Laurier*.

Q. You entered it in the books in a very peculiar way?—A. That is, my lord, an incident of the bookkeeper.

Q. Did it ever occur to you that the payment to Captain Johnston might Burke any claim for services on behalf of the government?—A. No, my lord.

Q. That did not enter your mind?—A. No, my lord.

*By Mr. Watson:*

Q. Then, if you please, get those other books, bring them to us?—A. Will you allow me to get them in the sheriff's office?

Q. They are not both there?—A. What you will want are there.

Q. From the 1st of January, 1904, up to the present time I want.

Mr. WATSON.—Is Mr. Longard here?

The CRIER.—Not returned yet.

Mr. WATSON.—Is the brother not here?

The CRIER.—Not returned yet.

Mr. WATSON.—I have been informed, my lord, that they are represented in this matter, not in court, but represented by counsel and solicitors. I would propose their counsel should give us some information, he is here.

Captain WATT called, not present.

(William S. Davidson returns with books).

Mr. WATSON.—Just leave the books, please.

Mr. WATSON.—Then, my lord, a gentleman has just now handed to me a letter as follows: 'This is to certify that Mr. Clarence Longard is not in a condition to be out of bed to-day. M. Chisholm, M.D.' Is Doctor Chisholm here?

The CRIER.—No, sir.

Mr. WATSON.—I would like to have had Mr. Chisholm's evidence with regard to Mr. Longard's condition and the time of his probable recovery.

Mr. LONGARD.—To-morrow morning.

Mr. WATSON.—That is, Mr. Clarence Longard will be here to-morrow morning?

Mr. LONGARD.—Yes.

JAMES R. DOUGLAS sworn.

*By Mr. Perron:*

Q. Mr. Douglas, you are a member of the firm of Douglas & Co.?—A. Yes, sir.

Q. Who are the partners?—A. None but myself.

Q. Oh. What business are you in?—A. Foundry business.

Q. You have your books here?—A. I have a cash book and ledger.

Q. You have your cash book here?—A. Yes, sir.

Q. Please let us see it?—A. (Witness produces cash book).

(Marked Exhibit 391.)

Q. Well, now the cash book you are now showing me is from May 1, 1906. What about the previous book?—A. You wanted one for 1904.

Q. Yes, for 1904 please?—A. Well, I did not get that. It was in a box and I could not get it out so early this morning. I live in Dartmouth. I will get it this afternoon.

Q. You will have to get it this afternoon. What is the next one you have here?

—A. That is the ledger. (Producing.)

(Marked Exhibit 392.)

Q. It starts from 1904?—A. Yes, sir. That is when I took the business over.

Q. You started in business in 1904?—A. No, sir. That is when I took the business over at my father's death.

Q. I see. You have been in business yourself on your own account only since 1904?—A. That is all.

Q. Now what are those, stubs?—A. Yes.

Q. From what year?—A. 1904, I think.

(Cheque stubs marked Exhibits 393 a, b and c.)

Q. Now, you have your cheques I presume?—A. Yes, I think I have.

Q. Well, will you have them this afternoon at two o'clock please?—A. Yes.

Q. All right.

MR. PERRON.—Then my lord, I suspend this witness's examination until this afternoon when he will bring the other books.

WILLIAM H. MERLIN, sworn.

*By Mr. Perron:*

Q. What is your occupation, Mr. Merlin?—A. My commission?

Q. Your business or trade?—A. Well, butcher business.

Q. How long have you been in the butcher business?—A. Well, it is quite a number of years.

Q. You are at present in the butcher business?—A. No.

Q. You have been for how many years in the butcher business?—A. I worked with one firm, 16, 17 years, one firm alone.

Q. How long is it since you quit?—A. In the neighbourhood of three years.

Q. Three years?—A. In the neighbourhood of that.

Q. Well, what is the neighbourhood, a year or two years?—A. Yes, probably in the neighbourhood of a year.

Q. That would mean four years you have been out of it?—A. It means four years I presume.

Q. Five?—A. No.

Q. Six?—A. Not exceeding three years.

Q. Not exceeding three years?—A. No.

Q. What have you been doing for those last past three years?—A. Last past three years?

Q. Yes?—A. Oh well, I have been in the Marine and Fisheries for about two years, in the neighbourhood of two years.

Q. What did you do prior to getting in the Marine and Fisheries?—A. Ten chances to one I might have been—

Q. Speak out please?—A. I will.

Q. Speak out loud?—A. You want me to speak loud?

HON. MR. CASSELS.—So you will be heard. We want to get your evidence.

*By Mr. Perron:*

Q. What was your business before you entered the Marine and Fisheries?—A. That one year, I didn't say it was a whole year.

Q. Well, how many months?—A. Leave me see. Probably it might be a couple.

Q. Let us come to the facts. How many months?—A. We will take it for six months.

Q. So you stopped being in the butcher business for six months prior to getting in the Marine and Fisheries?—A. No, I was not trying to get in the Marine Department.

Q. Well, how long had you been in the butcher business?—A. It is quite a long time.

Q. When did you stop, what year?—A. In the neighbourhood of '93 or something like that.

Q. Was it in 1903 when you quit?—A. When I quit it?

Q. Yes?—A. Well, I don't know as I have quit it yet.

Q. In 1903 you were working as a butcher?—A. I think I was.

Q. In 1904?—A. I think so.

Q. In 1904 you were working as a butcher?—A. I think I was.

Q. Well, where were you working as a butcher?—A. I think I was with the firm of J. Aline. Where am I? I am here.

Q. I want to know whether you were working as a butcher in 1904?—A. I think I was.

Q. I do not want any thinking. Were you working?—A. Was I working then?

Q. As a butcher?

*By Hon. Mr. Cassels:*

Q. Mr. Merlin, you are here under oath and to give your evidence without any humbug or nonsense. Just remember you are in a court of justice and answer the questions?—A. I am trying to.

Q. You are not trying to. You are trying to make yourself funny.

*By Mr. Perron:*

Q. In 1904 what were you doing?—A. I was in business then, I think.

Q. What kind of business were you in?—A. Well, butcher and grocery business.

Q. Where?—A. Gottingen street.

Q. In Halifax?—A. In Halifax.

Q. Were you selling to the department then?—A. No.

Q. In 1904 what were you doing?—A. In 1904 I was doing business.

Q. You were in business?—A. Yes.

Q. What business were you in?—A. Well, butcher and provision business.

Q. Where?—A. Gottingen street.

Q. In Halifax?—A. Yes.

Q. Were you selling to the department, then?—A. No.

Q. In 1905 where were you?—A. In 1905?

Q. Yes?—A. I think I was on Gottingen street.

Q. What were you doing, what was your business?—A. The same.

Q. Grocery business?—A. Yes.

Q. And butchers. 1906 where were you?—A. I think I was in the dock yard about that date.

Q. I don't want any thinking. Where were you working in 1906?—A. Well, I cannot tell you the date directly.

Q. What month?—A. I cannot tell you that.

Q. What month of the year did you get into the employment of the Marine and Fisheries Department?—A. That I didn't keep a schedule of.

Q. Cannot you say at all?—A. No.

Q. Do you swear you don't remember in what season of the year it was?—A. I can do that.

Q. You can?—A. Yes.

Q. Tell us if it was in winter?—A. Well, I can tell you further on if it is necessary.

Q. I want you to speak, Mr. Merlin?—A. I am speaking.

Q. Did you get into the employment of the Marine and Fisheries Department in the winter time?—A. Well, I couldn't even say to that.

*By Mr. Watson:*

Q. What is that?—A. I couldn't even say to that.

*By Mr. Perron:*

Q. Was it in the spring?

*By Hon. Mr. Cassels:*

Q. Mr. Merlin, cannot you tell when you went into the Marine Department?—A. Well, Mr. Judge, I didn't bring these facts with me to explain it. Of course, if it is necessary to have them here, I will have them here.

Q. Were you there getting paid?—A. Getting paid, I was getting paid.

Q. Have you any books showing the date?—A. No.

Q. Do you mean going back a few years you cannot remember?—A. Well, within two years.

Q. You said 1906?—A. In the neighbourhood of 1906.

Q. That is only two years back?—A. Not over two years.

Q. You gave up your business and went into the employment of the Marine and Fisheries Department.

*By Mr. Perron:*

Q. You cannot tell us in what season of the year it was?—A. Not at present, because I didn't look up the facts of the matter.

Q. Where do you want to look them up? You have just told his lordship you have no books or data?—A. I have not.

Q. Where can you look up the facts?—A. I can by referring to the Marine and Fisheries Department.

Q. Would you go there to the office?—A. If it was necessary I would.

Q. You would?—A. Yes.

Q. Now, when did you get your first cheque from the Marine and Fisheries Department?—A. I cannot tell you that.

Q. How long ago?—A. Within two years ago. You mean my first payment?

Q. Yes. You were paid by cheque, I suppose?—A. No.

Q. How much were you getting a month, what was your salary?—A. \$1.50 a day was the regular time.

Q. Sundays included?—A. Only when you had to work on Sundays.

Q. Well, did you have to work often on Sundays?—A. It was not included to me.

Q. You say \$1.50 was your regular pay?—A. That was my regular rate.

Q. How did you come to get more?—A. Well, extra time.

Q. Extra time, at night times?—A. Well, for instance, night times—not very often at night.

Q. When were you making extra time?—A. My extra time?

Q. When were you making it?—A. Saturday was a great deal of it.

Q. Saturday night?—A. Saturday after I was supposed to be discharged. I was supposed to be discharged at 12 o'clock.

Q. You were supposed to be discharged on Saturday at 12 o'clock?—A. Yes.

Q. And whenever you worked in the afternoon you got paid extra time?—A. Yes.

Q. Now, what were you doing there in the dockyard?—A. Well, I was general messenger and packer and—

Q. Let us come to it one by one. You were a general messenger?—A. A messenger.

Q. For whom?—A. Well, we will say—

Q. I don't want any say. To whom were you messenger?—A. For Mr. Macnamara's department.

Q. Who is George Macnamara?—A. He is storekeeper.

Q. Where?—A. In the dock yard.

Q. And you were his messenger?—A. Messenger from there principally.

Q. Were you alone there as messenger for Mr. Macnamara?—A. No.

Q. Who was there with you as messenger?—A. I suppose Mr. Russell gives most of them an order to take out.

Q. Eh—A. Mr. Russell gives most any of them an order to take out outside of me.

Q. Will you speak out. Mr. Russell was doing what?—A. I told you Mr. Russell would give an order to most any person to take out outside of myself.

Q. I am asking you. You said that you were a messenger for George Macnamara. that is what you stated to me?—A. No, no, for the office.

Q. Well, now, did you or did you not state to me that you occupation there was messenger for George Macnamara?—A. Labourer and messenger.

Q. Well, you were a messenger?—A. Yes.

Q. For George R. Macnamara?—A. No, for the firm.

Q. What firm?—A. The Marine and Fisheries.

Q. Generally?—A. On No. 3 store.

Q. Who were you working there for generally?—A. The Marine and Fisheries Department.

Q. Who was in charge, who was your boss?—A. Mr. Macnamara supposed to be.

Q. Now, Mr. Merlin, who was your boss?—A. Where, in that store?

Q. Who was your boss, under whom were you working there?—A. Well, Mr. Macnamara.

Q. Say so then, will you?—A. Didn't I?

Q. No, you did not. Now, what were you doing under Mr. Macnamara?—A. Just a labourer or messenger to orders of Mr. Russell or Mr. Bogle.

Q. What is he doing, Mr. Bogle?—A. Assistant storekeeper.

Q. Assistant to whom?—A. Mr. Macnamara.

Q. To George Macnamara?—A. Yes.

Q. What is Mr. Russell doing?—A. He is doing so much, he is timekeeper at times.

Q. Timekeeper. What time does he keep?—A. Everybody's time he is supposed to keep that is in there, I mean labourers.

Q. He was timekeeper for the labourers. Was he keeping your time also?—A. Yes.

Q. What is Mr. Bogle?—A. Assistant storekeeper.

Q. What were his duties?—A. I beg your pardon?

Q. What were his duties, what was he doing, what did his work consist of?—A. Consisted of assistant storekeeper.

Q. Well, what did he do?—A. Well, he was supposed to be looking after everything in Mr. Macnamara's absence.

Q. What was Mr. Macnamara doing?—A. Mr. Macnamara is always busy so far as I am concerned.

Q. Busy doing what?—A. I suppose looking after his business.

Q. Eh?—A. I suppose looking after his business, that is all.

Q. What was his business?—A. Storekeeper.

Q. Well, what did he do as storekeeper?—A. Eh?

Q. What were his duties?—A. He gave the orders for what was to be done.

Q. He gave orders for goods?—A. Oh, no.

Q. Orders for what?—A. For instructions to go ahead with the work.

Q. What work?—A. Well, shipping and one thing and another, and receive orders, I suppose orders to do so.

Q. Shipping what?—A. Shipping all kinds of goods to different places.

Q. Shipping them where?—A. According to orders.

Q. Were you doing some of this shipping?—A. Yes, helping to do it.

Q. Well, were you doing it?—A. I didn't do much shipping.

Q. You know. Did you do some of it?—A. I think I did.

Q. Where were those goods shipped to?—A. Not more than delivered to a schooner or a steamer or something like that.

Q. So they never came out of the yard except to go into those steamers or schooners?—A. That is right.

Q. They had no reason to come out of the yard except to go to the steamers or schooners?—A. Not any goods I ever had charge of.

Q. You or others?—A. I ain't responsible for the others.

Q. I am not asking you whether you are responsible. I am asking if the goods in the store there were taken out of the yard except to be put on the steamers or schooners?—A. The only goods I handled were for shipment.

Q. I am not asking about the goods you handled. I am asking you about the goods generally which were handled there?—A. The goods I received about the ship?

Q. The goods which were shipped from there by you and others where were they to be shipped, the only place where they could be shipped?—A. Different places.

Q. Where?—A. Sometimes different sections of the country where the lights is required to be supplied.

Q. Were they shipped by ships or by cars, by rail?—A. No, mostly shipped by water.

Q. So they had no reason to come out of the yard except to go on board the ship at the waters edge?—A. No.

Now, how long did you remain there, until when did you remain in that department?—A. Until when?

Q. Yes?—A. Let me see—I think about the 25th of this month.

Q. Who took charge of your business in the meantime during the two years you were in the department, who carried on your business?—A. Outside?

Q. Yes?—A. I had nothing to carry on.

Q. The grocery and butcher business?—A. I had none.

Q. What did you do with it when you came into the employment of the department?—A. I had assigned it.

Q. To whom?—A. The assignee.

Q. What is his name?—A. Mr. Faulkner.

Q. Who was he acting for?—A. Who was he acting for? I suppose he was acting for the government.

Q. For the government or for your creditors?—A. Or for my creditors.

Q. Now, Mr. Merlin, you say that Mr. Macnamara was your boss?—A. Was supposed to be.

Q. Well, supposed. Was he or was he not?—A. Oh, yes, I recommend, I appreciate him as boss.

Q. As your boss?—A. Yes.

Q. Did you say Mr. Russell was his assistant there?—A. Was what, sir.

Q. What was he doing there Mr. Russell?—A. Timekeeper, paymaster and shipper.

Q. He was under Mr. Macnamara?—A. Yes.

Q. Yes?—A. Well, I don't know whether he was or not.

Q. Well, was Mr. Macnamara his boss?—A. I couldn't tell you that.

Q. Well, where was Mr. Russell taking his orders from?—A. Well, it might be from the other office, across the way.

Q. Did you see somebody giving him orders?—A. No. I often received telephones.

Q. Did you see any one giving orders to Mr. Russell?—A. I couldn't say.

Q. Did you see Mr. Macnamara giving him orders?—A. I couldn't tell you that even.

Q. You never saw that?—A. I might have. I can't remember.

Q. Try and recollect. It is not so long ago?—A. I know it ain't quite while ago.

Q. You had been there until the 25th of last month. During the month of November did you see Mr. Macnamara give orders to Mr. Russell to do something? A month previous, well now, come out Mr. Merlin, come out?—A. Come out what?

Q. Don't you know Mr. Macnamara was Mr. Russell's boss?—A. No.

Q. You don't know?—A. No.

Q. You never saw Mr. Macnamara give orders to Mr. Russell?—A. To the best of my knowledge I didn't.

Q. You did not see Mr. Russell keeping your time?—A. Yes.

Q. Now, how much per month during the time you were there did you receive over and above \$1.50 per day?—A. I have done so, yes.

Q. How much on an average have you received?—A. Well, I think it is about as high as \$2 a day.

Q. Eh?—A. In the neighbourhood of \$2 a day.

Q. So, instead of receiving \$1.50 a day you received \$2 for the whole time you were there? For the whole time you were there you received \$2 a day instead of \$1.50?—A. No.

Q. That is just what you have been telling me?—A. I didn't tell you that.

Q. What did you say?—A. I didn't say during the whole time I was there I received \$2 instead of \$1.50.

Q. How much did you receive on an average?—A. \$1.50 was my regular pay.

Q. I am not asking that at all. How much did you receive; not what was your regular pay?—A. Oh, probably about as high as \$50 odd.

Q. \$50 odd?—A. Sometimes, very seldom.

Q. Are you sleepy?—A. No.

Q. Stand up, please. Mr. Merlin, don't be smart?—A. I ain't.

Q. Will you answer the question and stand up like a man?—A. Yes, sir.

Q. Now, how much were you receiving per month on an average?—A. I think you will have to give me a little time to go home and figure or bring the books.

Q. Have you books at home?—A. No.

Q. Why do you want to get home?—A. To get a little further information.

Q. From whom?—A. Mr. Russell, if it is necessary.

Q. Well, you won't find him at your house?—A. I probably could if I liked to, but I can go down in the yard and find him for that matter.

Q. You said to me you were receiving \$50 odd a month on an average?—A. I didn't say that.

Q. You did not say that?—A. No. I said I received as high as \$50 odd.

Q. What was the average you received?—A. Well, you had better bring the books.

Q. What books?—A. The dock yard books, the Marine and Fisheries books.

Q. No. I want to know from you?—A. You want to know from me?

Q. Yes?—A. Well, I would like to have the books.

Q. Mr. Merlin, how much on an average did you receive per month?—A. I can't really answer.

Q. You won't say?—A. No.

Q. The first month that you were there how much did you receive?—A. About \$39, I think, to the best of my knowledge.

Q. How much?—A. \$39.

Q. \$49?—A. \$39.

Q. When was that?—A. Well now, I ain't even got that.

Q. That was your first pay?—A. About the first pay.

Q. When was that?—A. Well, I didn't keep run. It is so long gone by I didn't think it was necessary of me to keep run of it.

Q. You made no overtime that month?—A. I might have.

Q. Did you?—A. I am not sure.

Q. The second month how much did you get?—A. I don't know.

Q. About? If you remember the first you will remember the second?—A. Well, I don't exactly know.

Q. Well, how much about, Mr. Merlin?—A. Well, the books will tell you.

Q. No. I want to know from you?—A. Well, you can't expect——

Q. I want to know from you how much about?—A. How much about?

Q. Yes?—A. Well, it was nothing less than \$30 anyway.

Q. That is not what I want. How much did you get over and above your regular pay that month, the second month?—A. The second month I was working I cannot tell you.

Q. You cannot tell?—A. No.

Q. The third?—A. No.

Q. The fourth?—A. No.

Q. You cannot tell?—A. No.

Q. Who was there?—A. I have no recollection.

Q. You cannot tell?—A. No.

Q. Why did you tell me you were getting \$50 odd?—A. At times.

Q. When did you get some \$50 odd, what month was that?—A. It might have been in the fall of the year. I don't know exactly what date it was or what month it was in. Nevertheless it was probably in June or July.

Q. Why do you say June or July, what makes you remember that now?—A. What makes me remember?

Q. Yes?—A. It is only because I am giving the answer.

Q. Oh, so you pick up a month and give me an answer. Is that so? Not caring whether it is right or not you pick up a month and give me an answer: Is that it?

*By Hon. Mr. Cassels:*

Q. Have you any recollection by months when you got the extra pay?—A. I cannot. I can get it, but I haven't got it.

Q. At the present moment you simply know you did work overtime, but the exact amount you cannot tell?—A. No, at the present moment.

*By Mr. Perron:*

Q. Why did you mention June and July?—A. I said only what I thought there.

Q. Why did you think of July?—A. Well, it was the kind of packing season for that time of year for supplies.

Q. Yes. Did you work every Saturday overtime?—A. No, I didn't.

Q. How many Saturdays in the month would you work overtime?—A. Well, I never kept run of that.

Q. About?—A. About, well, say three or four.

Q. Three or four Saturdays a month?—A. No, no.

Q. Well?—A. We were at the supply business about three or four Saturdays.

Q. When was that, what month?—A. I think it was early in the spring, anyway.

Q. Now, until what hour would you work?—A. As a rule we used to work until about 10 or 15 minutes past six.

Q. Now, who was employed with you under Mr. Macnamara?—A. Mr. Bogle.

Q. Who besides?—A. Besides Mr. Macnamara, he is the assistant storekeeper.

Q. Next, how many men were with Mr. Macnamara in those stores, give me their names?—A. Well, there have been a good many there off and on.

Q. Well, give me their names?—A. You mean people who have been in the habit of going in and out?

Q. No, no. Well, all right. Who were they?—A. Most of the yards have that privilege.

Q. Eh?—A. Most of the yards have that privilege.

Q. What do you mean by privilege?—A. The privilege of going in and out of the store.

Q. What were they going in and out for?—A. They went in for a few small items once in a while.

Q. Small items?—A. Yes, nails like that.

Q. Let me have the names of those who went in for a few small items that way?—A. You had better take them all.

Q. Well, give them, just mention them. Let us start, please. Yourself?—A. Yes.

Q. What did you get?—A. You mean to say I myself have been there?

Q. Getting small items?—A. No, I never got.

Q. You never got small items?—A. No.

Q. Give us the name of one who got small items from those stores?—A. Well, there is a lot have been around there.

Q. Give me the names, please, of those you remember?—A. Let me see.

Q. Go on, witness. It has to come. What is the use of this? If you are here for 15 days you will have to say. Go on, let us get on to it?—A. Well, those names. Well, there is such a thing as Mr. Wolff, he comes in.

Q. What is his first name?—A. That I don't know.

Q. Where does he live?—A. Dartmouth.

Q. What does he do?—A. Carpenter.

Q. A carpenter in Dartmouth?—A. Yes.

Q. Was he in the employ of the department?—A. Yes, he is now.

Q. He is there still?—A. Yes.

Q. Well, what did he get, nails?—A. Yes, he got nails.

Q. And what else?—A. But a very small quantity, he might come in for a handful.

Q. Who is next after Wolff?—A. Well, Mr.—

Q. Quick, quick, please?—A. Hold on now, excuse me, Mr. Stanley.

Q. What is he doing?—A. Painter.

Q. Employed there?—A. Yes.

Q. Next?—A. He only used to come in for—

Q. Next name?—A. Next name, let me see.

Q. Go on, quick, please, Mr. Merlin. You know. What is the use of going on like this?—A. Well, that is about all I can think of at the present time.

Q. Oh, Mr. Merlin, go on?—A. If you want me to give you a list—

*By Hon. Mr. Cassels:*

Q. Mr. Merlin, you know perfectly well, just tell the names?—A. Mr. Judge, I do, but I don't at the present time.

Q. If you don't know, say you do not know; if you do know tell them—A. I can't exactly remember.

*By Mr. Perron:*

Q. You can make a list?—A. If it is necessary.

Hon. Mr. CASSELS.—Make a list up here.

Mr. WATSON.—Now.

*By Mr. Perron:*

Q. Make this list now?—A. No.

Q. Why not? Sit down and make this list. Here is a piece of paper, make it out.—A. Well, do you want—I want Mr. Russell's book.

Q. No. Make a list yourself. Here is some paper?—A. You can have it.

*By Hon. Mr. Cassels:*

Q. Make the list from memory.—A. From memory?

Mr. PERRON.—Instead of making a list, give the names.

*By Hon. Mr. Cassels:*

Q. Why not give the names?—A. I can't think of them all, Mr. Judge, at the present time. I will have to get the book and get them copied off from the dock yard. There was times when there was 140 odd people.

Mr. PERRON.—I understand you cannot remember the whole of them, but give us those you think of?

*By Hon. Mr. Cassels:*

Q. You mean to say that all the employees there used to go in for stores, help themselves?—A. They could if they liked, it was open enough to do so.

Q. Were they in the habit of doing so?—A. I couldn't say that. They had the privilege of going in and out.

*By Mr. Perron:*

Q. You say they go in and get something?—A. Just nails.

Q. Small things. Give us the names of those you saw?—A. I think only Mr. Wolff.

Q. You have given us his name already. Let us get on to another one?—A. And I don't know exactly who the other people is, but I know Mr. Stanley.

Q. Yes, we have his name already.—A. Yes.

Q. The others?—A. He come in—

Q. No, no. Just give us the names of the others.

Hon. Mr. CASSELS.—The other names. You can give us details afterwards.

Mr. PERRON.—We will come to the details afterwards.

Q. Let us have the names?—A. Well, I can't think of them all just now.

Q. Let us have those you remember?—A. That is all I remember at the present time.

Q. I know you cannot remember them all, but let us have those you remember?—A. That is all I can remember at the present time.

Q. Well now, Mr. Merlin, you will be here the whole afternoon, the whole of the day to-morrow, and the whole of the day after to-morrow, if necessary. It is no use giving yourself unnecessary trouble and everybody else. What is the next name?—A. That is all about I can remember at the present time.

Q. Did you see more than that?—A. I beg your pardon.

Q. Did you see more than those two?—A. Yes, I seen a lot more.

Q. A lot more. How many about did you see? You said that practically all of them were taking goods from time to time?—A. Well, they hadn't been taking goods.

Q. Well, they had been helping themselves, as you said?—A. But merely come in and say: 'Have you a few nails?' They would have them out of those casks, that is all.

Q. To whom would they say that, to you?—A. At times.

Q. At times to you, and at other times to whom?—A. I don't know, probably Mr. Bogle.

Q. Did you see them speaking to Mr. Macnamara?—A. I think, but not on business.

Q. Did you see them speaking to Mr. Macnamara to get a few things also?—A. No, I have not, I don't think I have.

Q. You have not?—A. No.

Q. Speaking to Mr. Bogle?—A. Mr. Bogle.

Q. And yourself, you said. And who else?—A. Probably Mr. Russell.

Q. Mr. Russell and who else?—A. In a good naturally way say: 'Yes, if you want half a dozen nails take them.'

Q. Let us go on now. Whom have you seen, shall we say the whole of them helping themselves?—A. No, I wouldn't say that.

Q. Well, two-thirds, three-fourths?—A. Yes.

Q. Three-fourths?—A. No.

Q. Half of them?—A. No.

Q. Well, how many?

Hon. Mr. CASSELS.—Perhaps you can shorten it up by giving the name of some one who did not help himself. Would that shorten it?

Mr. PERRON.—It would be shorter perhaps as his lordship suggests, to give the names of those who did not take anything?—A. Give the names of those who didn't help themselves, those I haven't seen?

Q. Yes. Is that the best way to do it?—A. Well, if it is necessary I can do that.

Q. Well, let us start now?—A. Well, Mr. Tormaine will be one.

Q. Mr. Tormaine. Next?—A. I think Mr. Parsons will be another.

Q. Next?—A. Mr. Short would be another.

Q. Next?—A. And Mr. Hostermier.

Q. Next?—A. That is as far as I can get at present.

Q. All those you did not see?—A. Yes.

Q. Do you know Mr. A. D. Anderson? That means you saw all the rest of them getting something out of this store?—A. No.

Q. What does it mean?—A. You were asking for the people I did not see.

Q. Yes. You have given some names?—A. I have given some names.

Q. And all the others you have seen?—A. No.

Q. Well, A. D. Anderson, you know him?—A. Anderson?

Q. Yes. Do you know him?—A. Anderson? I know so many Andersons, this probably might be one.

Q. Have you seen one of them there helping himself out of the shop?—A. Not to my knowledge.

Q. You don't remember?—A. I don't remember. To my knowledge, I have not.

Q. H. A. Alward, have you seen him?—A. No, I don't remember seeing him.

Q. J. C. Brown?—A. Who is he, a Laurier man?

Q. Eh?—A. Is he a Laurier man?

Q. What do you mean?—A. The *Lady Laurier*, do you mean that man?

Q. I don't know. Do you know him?—A. I know him to see him.

Q. Do you mean the *Lady Laurier's* men were in the habit of helping themselves out of store supplies?—A. No.

Q. Have you seen some of them?—A. No, I haven't seen any of them.

Q. None of them?—A. I have seen a lot, but not helping themselves.

Q. That is what I want to know from you?—A. No.

Q. What about Mr. J. Baker?—A. Mr. Baker?

Q. Did you see him?—A. Who, Mr. Baker? I have seen him very often. That is John Baker.

Q. Did you see him help himself out of those goods?—A. To the best of my knowledge, I didn't.

Q. Now then, Mr. Merlin, do you want to tell the truth or not? Let us come to that. Do you want to say it or not?—A. I am trying to tell the truth.

Q. You are trying; are you succeeding?—A. I think so.

Q. Are you sure you are telling the truth now?—A. Yes.

Q. Well now, let me know who you saw there helping themselves in those stores?—A. Well, I give you that answer, and the people only did that as a matter of good nature.

Q. I am not asking you that. I am asking for the names of those you saw helping themselves out of those stores?—A. I never see them.

Q. Did you see fifty of them?—A. I have seen more than that in my days.

Q. Did you see one hundred?—A. Yes.

Q. Did you see two hundred?—A. No.

Q. 180?—A. No.

Q. 150?—A. No.

Q. 140?—A. In the neighbourhood of that.

Q. Yes, now we have it?—A. Not helping themselves, though.

Q. Out of this 140, how many can you recollect now?—A. Well, they were receiving their money in them days, at least at that time.

Q. I am not asking you of that time at all. I am asking how many of this 140 you remember now having gone into those stores and got goods?—A. Well, they got the amount of people that ever I seen go in there and the quantity of people was getting their money.

*By Hon. Mr. Cassels:*

Q. You know perfectly well what you are asked. If you can give the evidence, give it?—A. I am trying to give it.

Q. Was it the practice for the employees to go in the store and help themselves?—A. It could be.

Q. Answer the question?—A. Not without an order.

Q. What?—A. Not without an order, no.

Q. When they got an order I presume they paid for it?—A. No, they got an order from the office across the way.

Q. They got an order?—A. They always got an order.

Mr. PERRON.—He is fencing. He has been doing nothing else but that.

*By Hon. Mr. Cassels:*

Q. Some of them, yourself among others, have been in the habit, from time to time, of going into those stores and taking goods for your own use, is not that so?—A. Well, there might be others, not myself.

Q. You too, you were one, were you not?—A. I don't think so.

Q. There were some who were accustomed to go in there and help themselves— you have given the names of some?—A. They could if they liked.

Q. They could if they liked. Did you see them do it? That is the point?—A. No.

Q. You know they did?—A. I know when they come in for a handful of nails.

Q. Never mind what it was for. We will get at it later. How many came in for a handful of nails or anything else?—A. Quite a few.

Q. Quite a few. Do you mean 50 or 60?—A. No.

Q. Do you mean 30?—A. From one weeks end to the other I could hardly tell.

*By Mr. Perron:*

Q. Fifty, did you see 50 of them?—A. From one year's end to the other?

Q. Yes?—A. Probably I did.

Q. Sixty—from the time when you went in there until you left, 60?—A. In the two years?

Q. Yes?—A. Oh yes, I suppose.

One hundred?—A. No.

Q. Eighty during those two years? Answer, please. Eighty?—A. I answered your question; around 50 in two years.

Q. Fifty?—A. In two years.

Q. Well, now, give us the names?—A. I can't really think of them all now.

Q. Give us the names of those you remember, quick?—A. I can give you a few; if you wish I can think them over.

Q. No, now?—A. I can't think at all.

Q. Give us those you think of?—A. I have given you a few already.

Q. No, two only?—A. You are not giving me time to think of the rest. I can't think at present.

Q. Surely out of 50 you remember more than two?—A. Oh, yes.

Q. You do, out of 50 you remember more than two?

*By Mr. Watson:*

Q. Come along, help us, Mr. Merlin; give us the names of some others?—A. Mr. Watson, I am trying to do the best I can.

Q. Try, let us have the names.

*By Mr. Perron:*

Q. Try?—A. Try? Mr. Russell or somebody here has the books.

Q. No. Go on yourself, what you can remember?—A. You don't want to force me to tell an untruth?

Q. I do not want to force you?—A. It seems to me you are.

Q. No. I want you to think of the number?—A. I can't think at the present time.

Q. Out of 50 you can remember more than that?—A. I have just given you that, what I thought of.

Q. You won't do it?—A. I cannot do it at the present time.

Q. Help us, a little will you?—A. Why, certainly, I help every person.

Q. Well, go on?—A. I cannot think of it just now.

*By Hon. Mr. Cassels:*

Q. If you cannot do it now how would you do it later, surely you must remember the names of some of those men?—A. I would like Mr. Russell's book.

Q. Never mind Mr. Russell's books. You have been about that shop, you ought to know the names of some of the men, do you not want to give them away?—A. No, I got nothing to give away.

*By Mr. Perron:*

Q. You stated you could give them to me by two o'clock?—A. What time is it now?

Q. One o'clock?—A. I cannot do it by that hour.

Q. Can you do it by three?—A. Say four.

Q. Four o'clock?—A. I got quite a distance to go to get my dinner and get back here.

Q. Well now, half past two o'clock, make me this list for half past two o'clock?—A. Make it three o'clock.

Q. Will you come here at three o'clock?—A. I will be here at three, I can't be back home.

Q. Get that list so as to save time for cross-examination?—A. I will give my time to think over the names.

Q. You will be here with the list?—A. I will give you what is satisfactory.

Q. That is all right.

(Adjourned at 12.55 to 2.15 p.m.)

JAMES R. DOUGLAS recalled.

2.30 p.m.

*By Mr. Perron:*

Q. Have you found your books, Mr. Douglas?—A. Yes, sir.

Q. What books have you found?—A. The cash book for 1904 that you asked me for (producing).

(Marked Exhibit 394.)

Q. The cash book for the year 1904. And also your cheques for 1904-5-6 and 7?—A. Yes, sir.

(Marked Exhibit 395.)

WITNESS.—1908 I have not received from the bank yet.

Q. That will be all right for the present. Please remain in attendance here.

JOSEPH FERGUSON sworn.

*By Mr. Watson:*

Q. Mr. Ferguson, what is your occupation?—A. Engineer.

Q. Engineer, where were you engaged?—A. I was engaged in the old country.

Q. Where are you engaged now?—A. In Charlottetown, P. E. Island.

Q. Are you in the service of the Marine Department?—A. Yes.

Q. In what capacity?—A. Chief engineer.

Q. Of what?—A. SS. *Minto*.

Q. Of the steamship *Minto*?—A. Yes.

Q. You are chief engineer of the *Minto*?—A. Yes.

Q. How long have you been in that position?—A. Nine years past in August.

Q. Is the *Minto* here now?—A. No, Charlottetown.

Q. How did you happen to come here?—A. I got a telegram from the deputy minister on Saturday.

Q. Let us see it please?—A. (Witness produces telegram.)

Q. This is dated 28th November, to Joseph Ferguson, engineer of the steamer *Minto*. 'Your name mentioned before commission at Quebec as having received \$30. commission from Mr. Drolet. You will appear before commission now sitting at Halifax and explain matters. D. J. Desbarats, Acting Deputy Minister.' It was upon receipt of that you came here?—A. Yes, sir.

(Telegram marked Exhibit 396.)

Q. You can keep it. Are you still acting as engineer?—A. Yes, sir.

Q. You have not been suspended?—A. No, sir.

Q. Did you receive money from Mr. Drolet or his bookkeeper?—A. From his bookkeeper.

Q. From his bookkeeper you received money. When was it you received the money from him?—A. Well, I couldn't just give you the exact date.

Q. About what time, Mr. Ferguson?—A. About July or August.

Q. Of this year or last year?—A. Last year.

Q. July or August last year. Where were you when you received it?—A. In Quebec.

Q. In Mr. Drolet's office?—A. On board ship.

Q. I see. From whom did you receive it?—A. From Mr. Audibert, book-keeper for Mr. Drolet.

*By Hon. Mr. Cassels:*

Q. That is Mr. Audibert?—A. Yes, sir.

*By Mr. Watson:*

Q. The bookkeeper of Mr. Drolet. You received it on the ship. How much did he pay you?—A. Well, they charged me with \$30.

Q. I know. How much did he pay you?—A. I will just tell you exactly. At that time he left an envelope with \$20 on my desk.

Q. At the one time?—A. 1907.

Q. 1907?—A. Yes, sir.

Q. He put it in an envelope at that time, \$20, is that right?—A. That is right.

Q. And directed it to you?—A. It was not directed to anybody.

Q. Not directed to anybody?—A. He put it in my room on my table.

Q. You saw him leave it there?—A. Sure.

Q. At the time he left it there what did he say?—A. He said it was a custom of the firm to do that, to give.

Q. To do what?—A. To give something to the engineers.

Q. To give something to the engineers?—A. Or words to that effect. I won't be positive of the exact words.

Q. What did you say, 'Thank you'?—A. I said 'Thank you,' that was all. I didn't pass any remarks about it.

Q. You did not pass any remarks?—A. No.

Q. Then you opened the envelope, took the money and put it into your pocket, I suppose. Is that right?—A. Yes.

Q. Then, you kept it?—A. Yes, sir.

Q. That was \$20. One bill or more than one?—A. Well, I won't be positive, but I think two tens.

Q. You think two tens?—A. I won't be positive.

Q. Can you be sure whether or not there were three tens?—A. I am sure there was not.

Q. You are sure there were not three tens. Was there \$30 at that time?—A. No, sir.

Q. Just \$20?—A. Just twenty.

Q. Then did you receive other money from him?—A. In the previous fall.

Q. That is of 1906?—A. The date I won't guarantee, but it was getting towards the end of the year.

Q. Yes. Where were you?—A. In Charlottetown. I received a post office order from that firm for \$20, and that is all the transactions that ever passed between us.

Q. You received a post office order from that firm?—A. Yes, sir.

Q. That would be in the fall of 1906?—A. Yes.

Q. How did you know it was from that firm, because a post office order might not show that upon its face, sometimes?—A. There was a note inside from the book-keeper.

Q. Oh, there was a note inside from the bookkeeper?—A. Yes, sir.

Q. And what was there written in the note?—A. Well, I couldn't tell you, exactly, I didn't keep it.

Q. What was the effect of it?—A. The effect was, it was just sending that little sum.

Q. It was just sending that little sum for you of \$20?—A. Yes, sir.

Q. And did you write acknowledging receipt of it?—A. I did not.

Q. You did not say anything about it?—A. No, sir.

Q. Did you speak about it to any one?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Not to any one?—A. No, sir.

Q. Kept it to yourself?—A. Yes, sir.

Q. It was not a matter to be spoken about, I suppose?—A. Well, I don't know anybody ever said anything about refusing gratuities. I know where I come from it is a regular custom in the shipping trade.

Q. Where you come from?—A. The other side where I sailed for years.

Q. Whereabouts?—A. I served lots of places and always found gratuities were given.

Q. Wherabouts did you come from?—A. I came from Scotland.

Q. What place in Scotland?—A. Dundee.

Q. And you say that you were used to getting tips there?—A. Yes, sir.

Q. These are tips, I suppose?—A. Gratuities.

Q. Eh?—A. Gratuities.

Q. That is a pretty big word for it?—A. If you want it simpler you can have it your own way.

Q. I see. But these things you do not speak about to others?—A. No, sir.

Q. You take them and keep quiet; and you were ordering goods from time to time from Drolet?—A. I was getting engineering work done, repairs that was necessary.

Q. Getting engineering work done, repairs by Mr. Drolet's firm?—A. Yes, sir.

Q. You were passing their accounts, you had to sign the accounts?—A. Yes, sir.

Q. Then after you signed their accounts they would be paid to them, they would get the money after that?—A. As far as I know.

Q. Then this was just a little compensation to you, I suppose, in that way?—A. I can assure you it was unasked for. I don't like the name of it being called commission, because I never put myself in the way of earning commissions. I was not in a position to offer commission to these people. I didn't know when I would be back again over in Quebec.

Q. So you say you do not like the name of commission?—A. No, sir, because I was not looking for anything, it came unexpected.

Q. At all events, you understood, you knew it was in connection with work you were getting done there?—A. Certainly.

Q. In connection with that work you were getting done there for the ship that you got this money?—A. Certainly.

Q. Then you got work done by others as well as Mr. Drolet's firm?—A. No work, sir.

Q. No work?—A. No other firm.

Q. No other repairs?—A. No, sir.

Q. They did it all?—A. They did all the work I had.

Q. You turned it all into them?—A. It was all in their line, the only place we had to go. I had to go where I was sent with that class of work.

Q. Who sent you, Mr. Schmidt?—A. Mr. Schmidt.

Q. I see, Mr. Schmidt sent you there. He was the superintendent?—A. He was. He didn't send me every time, because I had been in Quebec before Mr. Schmidt was at the job, but it was always through his agency if I had any work to do.

Q. Did Mr. Schmidt tell you that he got—according to the evidence of Mr. Drolet's bookkeeper—from the same firm \$1,770, did Mr. Schmidt tell you anything about that?—A. Mr. Schmidt didn't tell me anything about that.

Q. He did not say anything about it. Mum's the word?—A. I saw it in the newspapers. That is all I know about that.

Q. Then I suppose you find that is the custom to give those little tips or whatever they may be called?—A. I always found it the custom in my sea-going career.

Q. Here and elsewhere?—A. And I don't think you will pick up any ship's engineers who will deny it, especially those who have been in British ships.

Q. I see. That has been the custom ever since during the nine years you have

been in the department more or less I suppose?—A. Well, I can't speak for anything but myself.

Q. But for yourself, yes, it has been the custom with you during that nine years more or less?—A. There is not much.

Q. Not a great deal; but when it does come your way you take it?—A. If anybody left that I don't think anybody would refuse it.

Q. You don't think anybody would refuse it, I see. It has been the custom with others as well as yourself?—A. Others I can't talk about.

Q. No. They use it in the same way that you do, I see. Then do you ever come here to Halifax in connection with your business?—A. Not for years.

Q. How long ago?—A. When the ship came out new the first voyage down to Halifax and Sable Island.

Q. How long ago was that?—A. Nine years ago September month.

Q. Have you not been here since?—A. Yes, I was down next year. We went to Sable Island with the Deputy Minister on a special mission to plant trees.

Q. Eight years ago?—A. That was the last I think we were in Halifax.

Q. And were you remembered when you were here that time, somebody remembered you?—A. No, sir.

Q. Eh?—A. No, sir. I had no business at all.

Q. You had no business at all?—A. No.

Q. No contracts or work to be done?—A. No, nothing at all.

Q. So unless there are repairs or work to be done of course you do not get anything?—A. No, sir.

Q. So you never had anything done here at Halifax?—A. No.

Q. You had at St. John, I think?—A. No, sir, I have never been in St. John.

Q. At Charlottetown you had?—A. Yes, we are this time getting fitted up for winter.

Q. Who is doing the work there?—A. Bruce, Stewart & Co.

Q. Bruce, Stewart & Co., at Charlottetown. Has Mr. Schmidt been over there with you?—A. Yes, sir, Mr. Schmidt has full charge of all the work.

Q. Mr. Schmidt has full charge of all the work. Has he been there recently?—A. Yes, sir.

Q. When?—A. Two weeks ago.

Q. Two weeks ago. Do you mean to say that Mr. Schmidt has been in the department since his lordship sat in Quebec, the evidence was given there?—A. I understand he is still in the department.

Q. I see?—A. I had no other word, I got to act from instructions from him.

Q. And you have been getting instructions from him since then?—A. Yes, sir.

Q. What has he been doing there, looking after the *Minto*?—A. He just comes, he inspected the boilers and saw a water-test put on them.

Q. Down there?—A. Yes. He saw the work that was being done, the repairs.

Q. I see. That is by Bruce, Stewart & Co.?—A. Yes, sir.

Q. Did he ever tell you of any moneys that he got from Bruce, Stewart & Co.?—A. No, sir.

Q. Eh?—A. No, sir.

Q. He did not?—A. No, sir.

Q. Did you ever know of that firm giving him money?—A. No, sir.

Q. No knowledge of it at all?—A. No knowledge at all.

Q. Much work done there?—A. Well, considerable.

Q. Considerable work done there. My learned friend and I have been informed since we came here that moneys have been paid by that firm, some to him. You say you know nothing about that?—A. No, sir.

Q. You do not know anything about it. How much was paid to you there?—A. That is a question I cannot answer. Am I required to answer?

Q. Yes, I think you had better answer.

*By Hon. Mr. Cassels:*

- Q. Why cannot you answer?—A. I couldn't answer the question.  
Q. Why?—A. Not without data of some kind.

*By Mr. Watson:*

- Q. Not without some particulars?—A. Yes, sir.  
Q. That is, you do not know how much it amounts to?—A. No.  
Q. It amounts to a considerable sum?—A. I don't think very much.  
Q. \$200?—A. No, sir.  
Q. Say half that, \$100?—A. It might be over the whole of the time.  
Q. It might be \$100 you have received from that firm. When was the last payment to you by that firm?—A. Well, not for two years.  
Q. Eh?—A. Not the last two years anything.  
Q. How does that come, they have been rather letting you go by apparently?—A. No, sir; I was not there from two years ago.  
Q. From two years ago you were not there until now?—A. No, sir.  
Q. So you are getting a job put through now?—A. Yes, sir.  
Q. And you might reasonably expect something when this goes through?—A. I don't know anything about that.  
Q. You do not intend to ask for it?—A. I don't.  
Q. That is what you say, you do not ask for it? About two years ago you were getting work done by them at that time?—A. Yes.  
Q. And it is in connection with work you were getting done by them that you got the money?—A. That is the only way I would get it.  
Q. That is the only way you would get it, I see. Was it all paid to you at one time or at different times?—A. Oh, different times.  
Q. One time \$50?—A. Well, that would be the outside.  
Q. Eh?—A. That would be the outside.  
Q. And then another time \$40?—A. Well, I wouldn't be positive.  
Q. Then another time \$25?—A. It might be.  
Q. And then another time \$30 or \$35?—A. No, I don't think.  
Q. You don't think?—A. I don't think so many times.  
Q. Did you make any entry in any book or paper of how much you got?—A. No, sir.  
Q. That is just a clean breast of the matter, is it?—A. That is the truth as near as I can on my conscience tell it.  
Q. And you cannot tell exactly how much it was?—A. No.  
Q. And then did you have work done by somebody else there at Charlottetown?—A. No. We got part of our supplies, things like that.  
Q. At Charlottetown?—A. Yes. It may be small jobs, small people, tinsmiths, people like that, maybe small work given there.  
Q. And how much did you get from them, a little bit now and then?—A. A little bit now and then, no, nothing, sir.  
Q. What was it you were getting there?—A. I was going there to get repairs to lamps. We got some few lamps like that, just small things like that is the outside work done.  
Q. Then what would you get for that, some present, I suppose, a box of cigars now and then?—A. I can honestly say I got no presents.  
Q. Not from anybody else?—A. No, sir.  
Q. You mean you did not get anything from anybody else there in Charlottetown but the one firm?—A. Yes, sir.  
Q. Quite fresh in your recollection about that, are you?—A. Yes, sir.  
Q. Then where else did you have work done except at Quebec and Charlottetown?—A. Well, that is about all, Pictou.  
Q. You had some work done there at Pictou. What is the name of the firm?—A. The Pictou Foundry Company.

Q. Who are the owners of that?—A. Hanning & Ferguson.

Q. I see. Quite considerable work done there?—A. There was.

Q. Considerable work done there?—A. Not much in my department, but to the hull of the vessel.

Q. The hull of the vessel, yes. How much did you get there, do you recollect about how much?—A. \$25.

Q. \$25 from that firm, Hanning & Ferguson, at Pictou. Just try and think now about other payments from that firm. Do you recollect they amounted to quite a good deal?—A. Which firm?

Q. Hanning & Ferguson, that is that foundry company?—A. That is all.

Q. Eh?—A. That is all.

Q. What, just the \$25?—A. Yes, sir.

Q. Are you quite sure it was not more than that, Mr. Ferguson?—A. I don't think so.

Q. You don't remember, exactly?—A. If it was, it was very small.

Q. Was that all just at one time?—A. It was all given at one time.

Q. I see. Which member of the firm was it gave it to you?—A. Mr. Hanning.

Q. Mr. Hanning gave it to you. What did he say when he gave it to you?—A. Well, I don't think he said anything. I think he slipped it in my pocket.

Q. I see, slipped it in your pocket. Was he standing behind you, do you mean?—A. He was alongside me, anyway.

Q. You did not put out your hand, he just slipped it in your pocket. What date was that?—A. I couldn't tell you.

Q. What date?—A. It must be about twelve months.

Q. Twelve months ago you got it from him, I see. He did not say anything. What did you say, I suppose you said thank you, did you?—A. I didn't know what it was until he was away.

Q. You did not know what it was. You had a pretty good idea, all the same?—A. I knew what it was, I didn't know the sum.

Q. I see, you knew what it was but you did not know how much he was giving you?—A. Yes

Q. Not knowing how much, you did not say thank you, it might be too small?—A. I don't believe I did.

Q. And then which member of the firm of Bruce Stewart & Co. was it that gave the money to you at Charlottetown?—A. Well, I think it was Mr. McNairn.

Q. Mr. McNairn?—A. Bruce Stewart & Co., he is a partner there.

Q. I see. Then, was Mr. Schmidt there at Pictou?—A. Oh, yes.

Q. He is always on hand?—A. He always has charge of those things. He gives out all the orders. I have only got to inform Mr. Schmidt what is necessary, what is required, and he does all that business. I have nothing whatever to do with it.

Q. Then Mr. Schmidt asked you to put your name to the accounts?—A. Yes, after he has gone through them.

Q. I see, it is Mr. Schmidt asks you to put your name to the accounts?—A. After they have passed through his hands.

Q. After they have passed through his hands. So that you see his name there each time, Mr. Schmidt signs them, does he?—A. Yes, they are always signed by him first, and then they come back for the captain's signature and mine.

Q. Then they have Mr. Schmidt's name, and seeing Mr. Schmidt's name on, you put on your name. Is that right?—A. Well, I look over the bill.

Q. You look over the bill?—A. Certainly.

Q. Pretty high prices, sometimes?—A. Well, that is not my business.

Q. That is not your business?—A. There are people have to do those things.

Q. What?—A. There are people there to look after that, it is not anything of my business.

Q. You have nothing to do with the prices?—A. No, sir.

Q. I see. Then do you know about prices at all?—A. Oh, I know about labour a good deal.

Q. You know a good deal about labour. Have you ever looked to see how prices were, whether they were pretty high, steep or what?—A. Oh, well, we cannot tell. There is work done to a ship like that, you cannot tell the time spent at it in the ship and the machinery used. All we can do is to keep an account of the labour performed on board ship.

Q. Then where else did you have work done?—A. No other firm that I know of or recollect of.

Q. Not any other firm? Try and think—A. No, sir.

Q. You do not know of any other firm. You are the engineer; who was the assistant engineer?—A. His name is Herbert Clark.

Q. It was passed around to him I supposed at the same time?—A. I don't think.

Q. You do not know I suppose?—A. I cannot tell anything about other people.

Q. I see. You do not know whether it was or not. What is the name of the captain of the *Minto*?—A. Captain Finlayson.

Q. You do not know anything about Captain Finlayson getting any money?—A. No, sir.

Q. You have never spoken to Captain Finlayson about that way of doing business?—A. No, sir.

Q. Is there anything else you have got to say or want to say?—A. No, sir, I think that is just all.

Mr. WATSON.—I ask your lordship to note that the evidence is given subject to the same reservation contained in the Canada Evidence Act.

Hon. Mr. CASSILS.—Yes. I think this witness is telling the absolute truth. He is a model for everyone as far as his evidence goes.

*By Mr. Watson:*

Q. Is there anything else you want to say?—A. No, sir.

Q. As his lordship says, we are obliged to you for being frank and straightforward in your evidence at all events.

A. I thank you for your courtesy. Then I am done?

Q. Yes.

WILLIAM H. MERLIN, recalled.

*By Mr. Perron:*

Q. Have you the list?—A. I have not had time. I give you a portion of it.

*By Hon. Mr. Cassels:*

Q. Do you feel in a state to give your evidence now?—A. I think so, yes.

*By Mr. Perron:*

Q. Well, Mr. Merlin, you promised to prepare for his lordship a list of the employees of the department whom you saw helping themselves out of stores of the department. You now hand me a list prepared by you?—A. Yes, sir.

(List marked Exhibit 397).

Q. I see on this list Mr. McDonald, blacksmith; Mr. Thomas Downey. What is his first name, Mr. McDonald's?—A. Thomas.

Q. Thomas?—A. Oh, no, William.

Q. William McDonald?—A. Yes.

Q. Mr. Thomas Downey; Mr. Gause—what is his first name?—A. I don't remember.

Q. You cannot remember. Will you tell me what he is doing?—A. I think it is William.

Q. But you are not sure. What is his occupation, in what capacity is he working?—A. Assistant blacksmith.

Q. Is he assistant to Mr. McDonald?—A. No, to Mr. DeYoung.

Q. Mr. Thomas Revels?—A. Revels.

Q. Is that it?—A. Yes.

Q. Mr. James Foston, is that it?—A. I think that is the way he spells his name.

Q. In what capacity is he working there?—A. Those people only are in the habit of coming in and out of the store, those people mentioned here on this list are only in the habit of going in and coming out, in and out of the store.

Q. They were not employees?—A. They are employees.

Q. But you do not know what Mr. Foston was doing there?—A. Mostly the buoy work.

Q. The next is Mr. McLellan?—A. Yes.

Q. What is his first name, his Christian name?—A. I don't know what his first name is. He is assistant to Mr. Captain Johnston, I think.

Q. Oh, yes, assistant to Captain Johnston?—A. I am not sure. Mr. Tremaine can tell you.

Q. Assistant to Captain Johnston. Now, there is Mr. Samuel Case?—A. Yes.

Q. What is he doing?—A. In the buoy department.  
not as yet given us?—A. Well, those are only visitors.

Q. All you had time to?—A. Yes.

Q. Well, now, can you at present think of some others whose names you have not as yet given us?—A. Well, those are only visitors.

Q. I beg your pardon?—A. Only visitors in the store and out of the store; they had the privilege.

Q. Yes. But can you remember some other names of people who came to the store to help themselves?—A. I don't know as I can at present. That is all I remember between this time and the time I left here.

Q. Have you been thinking hard about it?—A. No.

Q. Not very hard?—A. No.

Q. Those came quite easy to your mind?—A. To my mind?—A. To my mind, yes.

Q. Well, now, can you at present think of some others?—A. Well, I don't know I can.

Q. You see, you mentioned you had about fifty names,, you had seen about fifty people?—A. I mentioned I could get that amount if you give me time, I could think about that.

Q. You said you knew about fifty?—A. Yes.

Q. You have given me ten so far?—A. Yes.

Q. There are forty more to come?—A. Yes.

Q. Cannot you at present think of some more names?—A. I can think of a good many more names.

Q. But just at present?—A. Just at present.

Q. Will you try and think of a few more names?—A. You mean visitors to these stores?

*By Hon. Mr. Cassels:*

Q. No, no. People who got goods out of the stores?—A. No, sir, none of those got goods, that I know, I don't believe.

Q. You have been telling Mr. Perron, as I understand you, that these were people who got goods out of the stores. Now you say that is a list of visitors to the stores?—A. Yes, sir.

Q. That is not what you are asked to tell. We want to know which of those employees were in the habit of going to the stores and helping themselves?—A. Receiving under orders.

Q. What?—A. Most of them receiving under orders.

Q. I suppose the orders would be paid. But take a man who goes in there, puts his hand in and takes a lot of nails, helps himself?—A. Most of those goods, your honour, were received by orders from the stores.

Q. They have accounts there, they get orders, and those are charged against them.

What Mr. Perron wants from you is the names of men in the habit of going in and helping themselves without orders, if there are any?—A. Not any more than if you want a few nails, you come along and say you want a few nails, probably I tell them to go over there, probably I tell them myself.

*By Mr. Perron:*

Q. Those are the names of people I am asking you?—A. Those are the names of the people I am giving.

Q. Those are the names of people you are giving?—A. Not under criminal; they give orders to receive goods.

Hon. Mr. CASSELS.—Witness, you know there are two classes of people, one under orders charged—

Mr. PERRON.—We will come to that, my lord.

Q. What was kept in the stores, what kind of goods, hardware?—A. Well, there was hardware such as nails.

Q. Nails, that forms part of the hardware. Groceries?—A. No, sir, no groceries.

Q. Any provisions of any kind?—A. No.

Q. Any flour?—A. No.

Q. Just hardware?—A. Hardware and a variety of goods, brushes and one thing and another.

Q. Brooms?—A. Yes.

Q. And provisions of all sorts, all kinds?—A. No.

Q. Well, what outside of nails, hardware, you say brooms and brushes?—A. Buckets, and so forth.

Q. Buckets, and what next?—A. And iron.

Q. Iron. Yes. And is that all? Is that all you can remember?—A. Being kept there for regular trade, or what do you mean?

Q. Goods kept in the store?—A. No, brushes, buckets and brooms.

Q. Is that all?—A. And nails, not very much hardware, only what the orders, what comes in by order.

Q. Did you write this list at home?—A. Yes.

Q. At your house?—A. Yes.

Q. So I understand that you went to your house for lunch?—A. Yes.

Q. Did you go to the office of the Marine Department before going to lunch?—A. No.

Q. Where did you go?—A. Who, me?

Q. Yes.—A. All the way home, do you mean?

Q. Yes. When you left the court, where did you go?—A. Let me see, where did I go—I went down Bank street.

Q. Yes, and where did you stop?—A. I think it was in Chalmers.

Q. Eh?—A. I am not sure whether in Chalmers or some place else on the road.

Q. Who was with you?—A. On the way home?

Q. Yes.—A. I have taken the tramway.

Q. Yes, but who left the court here with you, who was with you when you left the court?—A. Quite a bunch of people left the court with me.

Q. But who was walking with you, talking with you?—A. Well, I really don't remember.

Q. You remember. It is only about one hour ago, one or two hours, not quite two?—A. Yes. I don't remember.

Q. You don't remember?—A. Who was talking to me.

Q. You don't remember who was talking to you?—A. No.

Q. Anybody who went home with you?—A. With me?

Q. Yes.—A. I went home myself.

Q. Yes. Anybody with you?—A. There was quite a few people on the car.

Q. I mean talking to you?—A. Well, I can't think.

Q. Try and think, will you?—A. I have talked, or at least bid good morning to Mr. Ferguson and a few more who have been here.

Q. Which Ferguson?—A. Alec.

Q. Alexander Ferguson. What is he doing, is this Ferguson of Ferguson & Co.?

—A. Yes.

Q. Mr. Ferguson of Ferguson & Co.?—A. Yes.

Q. What did he want from you?—A. Nothing.

Q. Nothing at all?—A. No.

Q. What was he talking to you about?—A. Just the time of day, that is all.

Q. And who talked with you besides this morning?—A. I don't know of any person else.

Q. You don't remember?—A. I don't remember.

Q. Are you sure that nobody spoke to you?—A. There might be a lot of people spoke to me, I don't remember the run of them.

Q. Who was waiting for you at home?—A. My wife.

Q. Yes, quite natural. And then who was there besides?—A. My children, most of them.

Q. Yes; and who besides?—A. Besides my wife and children, no man to my knowledge.

Q. To your knowledge?—A. No man.

Q. To your knowledge?—A. Yes.

Q. Was there somebody there you had no knowledge of?—A. Well, there might be boarders there for all I know.

Q. Who?—A. The boarders.

Q. Well, who would talk to you about this list of names you were going to prepare?—A. Yourself.

Q. Yes. But I mean during the recess when the court adjourned and before you came here?—A. I don't know any person talked to me.

Q. Did any one speak to you about it?—A. I don't remember.

Hon. Mr. CASSELS.—You remember perfectly well if any one did.

Q. Why don't you tell the whole thing if anybody spoke to you?—A. That is what I am trying to do.

Q. You do not remember. Now, if any one spoke to you, you would remember; if nobody spoke to you, you would remember that nobody spoke to you. Why can't you say who it was spoke to you? Just tell Mr. Perron?—A. Spoke to me?

*By Mr. Perron:*

Q. Yes?—A. I say only yourself.

Q. About your evidence, somebody spoke to you about your evidence, who was it?—A. Not to me.

Q. Are you sure?—A. Pretty sure.

Q. That is not enough, it is not sufficient to be pretty sure. Let me know who spoke to you about your evidence to be given in court here since the court adjourned?—A. Oh, by the way, I think it was Mr. Tremaine, when I was going out of the door. Is that what you want to get at? Mr. Tremaine had a few words with me.

Q. Yes. What did Mr. Tremaine tell you?—A. Oh, he told me nothing any more than that I should say what was right, and I told him I did so.

Q. He told you, you should say what was right?—A. Yes.

Q. And what did you say?—A. To that effect, I told him I done so.

Q. Is that all he told you?—A. I think it is all.

Q. Are you sure of it? What did he tell you besides?—A. Well—

Q. Oh, tell us, will you? We want to get through with you. You want to go home, don't you? Tell us about it?—A. I really forget.

Q. You really forget?—A. Yes.

Q. Cannot you remember?—A. Not all.

Q. Not all. Why cannot you remember?—A. I didn't think it was necessary for me to think about it.

*By Hon. Mr. Cassels:*

Q. You are doing Mr. Tremaine a great injustice and doing yourself worse. If here is nothing to be ashamed of you had better tell it out.—A. I have nothing to be ashamed of.

Q. Tell what Mr. Tremaine said?—A. I really forget.

*By Mr. Perron:*

Q. It is an hour ago?—A. It is two hours.

Q. Say two hours. What did he tell you?—A. Something to that effect.

Q. Well, you cannot think?—A. No.

Q. Or you won't say?—A. Well, I can't say what I don't remember.

Q. You don't remember?—A. No.

Q. Well, it is too bad. Now, after you had seen Mr. Tremaine who did you meet, who spoke to you about your evidence to be given this afternoon?—A. I don't remember.

Q. You do not remember?—A. No.

Q. Well, will you try and remember Mr. Merlin? You must remember, you have to remember. Now just say, please, who it was?—A. Well, I give you my sentence here, if you wish to take it.

Q. You won't go any further than that?—A. No.

Q. You won't remember?—A. No.

Q. You won't?—A. No.

Q. Why won't you remember?—A. Because I don't think of it.

Q. Because you don't feel like that?—A. I don't think of it, not because I don't feel like it.

Q. Now, what did this gentleman you met outside of Mr. Tremaine, what did he tell you about your evidence?—A. Who was that?

Q. Well, you know?—A. I don't yet.

Q. What?—A. I don't yet.

Q. What he he tell you?—A. Who?

Q. This gentleman whom you met when you got out of this court here, what did he tell you about your evidence, what you had to say?—A. Well, I want to know who is the man.

*By Hon. Mr. Cassels:*

Q. Just answer the question, tell me what he said. You know perfectly well?—A. I don't know, your honour.

Hon. Mr. CASSELS.—I think you had better let this witness go until the morning. If he does not answer then—

Mr. PERRON.—I will put two or three questions more to him, my lord, if you will allow me.

Hon. Mr. CASSELS.—Yes.

*By Mr. Perron:*

Q. When did you meet Mr. Macnamara the last time?—A. About four or five days ago, I think.

Q. Well, cannot you remember whether it was four or five days ago?—A. What is the date now?

Q. Did you meet him on Sunday?—A. Yes.

Q. Yes. Sunday night?—A. Sunday afternoon.

Q. Sunday afternoon. At what hour?—A. On or about 4 o'clock.

Q. Four o'clock in the afternoon. Where did you meet him?—A. At his house.

Q. Where is his house?—A. At the dock yard.

Q. Who was there with him and with you when you met him?—A. I think Mr. Baker was one.

Q. Who?—A. Mr. Baker was one of the company.

Q. What is his first name?—A. John.

Q. John Baker. What is he doing?—A. Second bosun.

Q. Boatswain?—A. Bosun.

Q. That was at Mr. Macnamara's house?—A. Yes.

Q. What did you meet him for?—A. Just only a visit.

Q. You paid him a visit?—A. I paid him a visit.

Q. Were you not notified then you had to attend here as a witness?—A. No.

Q. You were notified?—A. I was not notified.

Q. You had not received a subpoena?—A. No.

Q. But you were notified you had to be here Monday morning?—A. This morning.

Q. On the Monday morning, the following morning?—A. On Monday morning.

Q. Then after that you went to Mr. Macnamara's house?—A. After I was notified?

Q. Yes?—A. No, I was not there since I was notified.

Q. You were notified on Sunday between 12 and 1 that you had to be here as a witness?—A. I don't think.

Q. And you went to Mr. Macnamara's house at four o'clock?—A. I was there about four o'clock.

Q. Yes. How long did you stay there?—A. Oh, probably about half an hour or so.

Q. Or one hour?—A. Not exceeding an hour.

Q. Not exceeding one hour?—A. No.

Q. And you stated Mr. Baker and Mr. Macnamara were there?—A. Yes, they were there.

Q. Were they together all the time?—A. They were there when I arrived there.

Q. Did Mr. Baker stay there all the time you were there?—A. Yes.

Q. Who sent for you to go to Mr. Baker's office?—A. No person.

Q. Eh?—A. No person.

Q. Who telephoned to you?—A. Nobody.

Q. How did you come to go there?—A. Just a friendly visit, that is all.

Q. Yes. Well, you had been dismissed from the department?—A. Who, me?

Q. Yes?—A. Oh, yes, before that.

Q. Before that. Mr. Macnamara had no part in your dismissal?—A. Not that I am aware of.

Q. Did you talk with him about this dismissal of yours?—A. No.

Q. No, never mentioned to him?—A. No.

Q. Did Mr. Macnamara know at the time that the Commission was sitting here, that his lordship was sitting here at Halifax?—A. I don't know that.

Q. What did he tell you about this Commission?—A. About this Commission?

Q. Yes?—A. He didn't tell me anything.

Q. Never spoke to him about it. Do you swear to that now?—A. To the best of my knowledge.

Q. Now, this is last Sunday?—A. Oh, last Sunday?

Q. Yes?—A. No, he did not, I don't remember.

Q. You don't remember?—A. No, I don't remember his saying anything at all.

Q. Did he speak to you or what did he tell you about those parcels which were going out of the dock yard to be taken in town here?—A. Parcels?

Q. Yes. What did he tell about that?—A. Did he tell me?

Q. What did he tell you?—A. Speak out please. What did he tell you?—A. I don't remember anything about that.

Q. You must remember and you have to remember.

*By Hon. Mr. Cassels:*

Q. Witness, you have got to tell the truth?—A. I am trying to do that.

Q. You are not trying to do it at all, you know it just as well as I do. Now just tell the whole thing and have done with this nonsense?—A. I am trying to do that.

Q. I do not think you are telling the truth.

*By Mr. Perron:*

Q. I want to know what Mr. Macnamara told you on Sunday about those parcels going out from the dock yard?—A. I don't remember him telling me anything about parcels going out or not.

Q. What did he tell you?—A. To the best of my knowledge he did not.

Q. What did he tell you when you told him you were brought here as a witness?—A. Nothing.

Q. Eh?—A. Nothing

Q. You went to him because you were brought in as a witness, and he did not tell you anything?—A. I never went to him since I have been brought in here as a witness.

Q. Since you came here, I know. You know at the time you were to be brought here as a witness, you went to him, and he never told you anything about it?—A. I don't know as I did at the time.

*By Hon. Mr. Cassels:*

Q. Did you not talk it over with him?—A. Any more than a friendly good morning.

Q. Did you tell him the fact that you were coming here to give evidence?—A. No, sir.

Q. Did you not talk over with him about this Commission?—A. No, sir.

Q. Are you in the same station of life, accustomed to do business in a friendly way on Sunday?—A. In a friendly way, only a visit.

Q. It will be much better for you to tell us everything you know?—A. I am telling you.

*By Mr. Perron:*

Q. Oh, Mr. Merlin, cannot you do justice to yourself a little?—A. Yes.

Q. Well, why don't you say what you know?—A. I am trying to do so now.

Q. No, you are not, I beg your pardon. What is the use of hedging all the time? Tell us what Mr. Macnamara told you on Sunday about those parcels that had gone out of the dock yard, tell us that?—A. Well, Mr. Macnamara didn't tell me, so I can't tell you.

Q. Now, where did you go when you left Mr. Macnamara?—A. Took a walk around town Sunday afternoon.

Q. Yes. And who did you go to see about this Commission, about your evidence, about the goods going out of the dock yard, whom did you go to see about that?—A. No person in particular.

Q. In particular. Who was it then?—A. Who was it? No person I am aware of.

Q. You are not aware of?—A. No.

Q. Now, where did you see Mr. Macnamara on Monday, where was it you saw him on Monday, yesterday?—A. I don't remember seeing him at all yesterday.

Q. Did you see him yesterday and where, where did you see him yesterday?—A. I might have seen him, but not conversing with him any way at all.

Q. You might, you might not. Where did you see him yesterday?—A. I don't remember seeing him.

Q. Where did you see Mr. Baker yesterday?—A. In here I think.

Q. In here. What conversation did you have with him in the hall, what was it about?—A. Nothing.

Q. About nothing? No question of your evidence nor of us?—A. No.

Q. Now, are you able to give your evidence to-day, are you in a position to give your evidence to-day?—A. Well—

Q. What do you say?—A. So far as you want.

Q. It does not go very far, you see?—A. I have given all you have asked me for.

Q. Oh, I see. If I ask you better you will give better, is that it?—A. I don't know.

Q. Is that what you mean?—A. No.

Q. Oh, I have not got the way?—A. I answered your questions.

Q. Do you mean to say witness I have not got the way of getting from you what you know?—A. No.

Q. What is the meaning of it?—A. I answered you all you asked me to the best of my knowledge.

Q. To the best of your knowledge?—A. Yes.

Q. Do you know Mr. Baker very well?—A. Fairly well, yes.

Q. For how many years have you known him?—A. Well, two or three years.

Q. You know where his residence is?—A. The dock yard.

Q. Is he building a house at present?—A. Building a house?

Q. Yes?—A. I couldn't tell you that.

Q. Do you know that?—A. No.

Q. Have you heard it?—A. No.

Q. You have not. Well, you will come to-morrow to give your evidence?—A. I beg your pardon.

Q. You will come to-morrow morning to complete your evidence. Try to be in a position to do so, and in the meantime complete this list of names. Are you as able to give your evidence now as you will be to-morrow morning?—A. Leave ti go to-morrow morning if you wish.

Q. It is not a question of wish. Do you say you would be better able to give your evidence to-morrow morning than you are now?—A. Probably I would be better able to if you want that list. It was impossible for me to get that list out in the short time.

Q. I do not want only the list. I want all that took place in that yard. Will you tell me to-morrow morning?—A. I will tell you all I can.

Q. You can tell a good deal if you wish. Will you do it to-morrow morning?—A. If you wish.

Q. I want just a word from you then I will wait until to-morrow morning so as to give you a chance of saying what you know, as you are bound to do under oath. I will give you until to-morrow morning to do that. I want just one or two questions more with you. I want you to remember to-morrow morning you will be under oath and have to give your answers and tell us what you know, you will have to remember.

Q. Now, you stated you had been paid overtime sometimes?—A. Yes.

Q. You have stated to me that you had been paid overtime in June and July?—A. Yes.

Q. June?—A. I think about those months.

Q. Do I understand from you then that June and July are the busiest months?—A. They are very busy.

Q. They have been since you have been there, June and July?—A. Yes.

Q. Of course, after July it gets a little less busy, it is not quite so busy in August.

Q. But not quite as much as in June and July?—A. June, July and August.

Q. Then it stops there, it is quieter in September?—A. Yes.

Q. Well, go home and be ready to-morrow morning.—A. What time your honour? Hon. Mr. CASSELS.—Ten o'clock.

MITCHELL and SCHAFFER and GEORGE A. FAULKNER called, not present.

GEORGE A. WOOTEN, sworn.

*By Mr. Watson:*

Q. In what name do you carry on business?—A. G. A. Wooten & Co.

Q. G. A. Wooten?—A. And Co.

Q. And what is your line of business?—A. Plumbing and hardware.

Q. Plumbing and hardware?—A. Sheet metalwork.

Q. Plumbing and supplies. You do a pretty large business or comparatively small business?—A. Well, in that line I suppose comparatively large business.

Q. A comparatively large business?—A. Yes.

Q. In that line. Then you are in other lines?—A. Yes, sir.

Q. What other besides plumbing?—A. Well, I am interested in shipping to some extent.

Q. Yes.—A. I am interested in the sealing business.

Q. Sailing business?—A. Sealing, hunting seals.

Q. Eh?—A. Yes, sir, sealing business, hunting sealskins.

Q. Shipping and sealing. Anything else?—A. No, sir, that is all.

Q. Nothing else. And you have had to do with the Department of Marine and Fisheries somewhat?—A. Very little, yes, sir.

Q. What year was it?—A. Well, I don't remember.

Q. Right along this year and last year?—A. No, sir.

Q. Not this year?—A. No, sir, not this year.

Q. You have an account with them in connection with plumbing and repairs to the steamer *Lady Laurier*?—A. Yes, sir.

Q. Was that your last, you had something since then?—A. Yes.

Q. Now, what was it you had since then? I see that was about October, 1905, or rather a little before October, 1905. What was it you have had to do since then?—A. Well, sir, to the best of my knowledge it was a stove, I think, perhaps, or something like that.

Q. A stove?—A. And some pipe.

Q. We can tell best by your books. Let us see them.—A. I haven't them here.

Q. Why not?—A. I was not asked.

Q. You were asked in the subpœna to produce your books?—A. I never received a subpœna.

Q. I see. Just asked by message to come, is that right? Did not Mr. McIlreith send a subpœna to you? Try and think. He is a personal friend of yours?—A. I don't know.

Q. You don't know whether he is or not, is that right?—A. Yes, sir.

Q. You don't know whether he is or not?—A. I think he is friendly, we are all neighbours.

Q. All neighbours, yes. There is not anyone you have much more to do with than our friend Mr. McIlreith?—A. Yes.

Q. Then you did not bring your books?—A. No, sir.

Q. What books have you got, a cash book and ledger, all the regular books?—A. Yes, I have got a cash book and ledger.

Q. Cheque books?—A. Yes.

Q. Have you got a bookkeeper?—A. No.

Q. Who keeps the books?—A. Well, I suppose the bookkeeper, I have a man comes in and looks after the books.

Q. You do have a man who keeps the books?—A. Yes, sir.

Q. What is his name?—A. James F. Welch.

Q. And is he in your employment now?—A. Yes, sir.

Q. That is his duty?—A. Yes, sir.

Q. That is his duty to keep the books?—A. Yes, sir.

Q. Why did you think you had not a bookkeeper then?—A. Well, I suppose I looked upon him more as an auditor and accountant. I look after that more myself; he audits the accounts.

Q. He audits the books, I see. An accountant, that is a little higher name than bookkeeper?—A. Yes, a chartered accountant.

Q. Do you make the entries then in the books in the regular course?—A. Sometimes, not always. I have clerks who make the entries.

Q. Sometimes, but the clerks make the entries in the books?—A. Yes.

Q. You are not frightened, are you?—A. Oh, no.

Q. A little bit hesitating. I suppose just your natural manner?—A. I am surprised to be called.

Q. I see?—A. I am surprised, I did not get a subpoena, I had nothing to do with the department to any extent.

Q. Well, you have been telling us about that last order. When was that last order, after the *Lady Laurier* work?—A. They come so seldom I could not tell you.

Q. They do not come often enough?—A. Indeed they don't.

Q. You are all looking for business, of course. And what was the last order, \$400 or \$500?—A. I don't remember.

Q. You do not remember?—A. No.

Q. What was the amount of your account for 1906?—A. I don't remember that, sir.

Q. You cannot remember within \$400 or \$500 the amount of the account for 1906?—A. Oh, yes, I can remember within \$400 or \$500. I would say \$600.

Q. I see. The account for 1906 was \$600?—A. I don't know 1906, but I suppose that is the account for a year.

Q. 1907?—A. \$15 or \$20.

Q. And for 1908, that is this present year?—A. Nothing.

Q. Nothing at all, I see. Then taking them in order—in the first place rather, how did you happen to get the orders?—A. How did I come to get the orders?

Q. Yes?—A. Well, I suppose I got the orders because the goods were required and I was in that line of business, and I naturally would fall in for a share of the trade in a general way.

Q. That is the only reason?—A. I think so.

Q. Who spoke to you about giving you orders, or your getting orders?—A. Who spoke to me? I don't think—I think I went to speak to them, I went to speak to Mr. Tremaine and Mr. Parsons.

Q. You went to speak to them, is that right?—A. Yes.

Q. Did you speak to anybody else?—A. It seems to me I spoke to Mr. Russell when he was a member, Judge Russell.

Q. Yes. Did you speak to anybody else here?—A. I don't think.

Q. Eh?—A. No, not from memory.

Q. Not from memory?—A. No, I don't think I did.

Q. You don't think you did?—A. Yes, I guess I did. I spoke to Mr. Roche, I had a letter from Mr. Roche.

Q. Yes?—A. I had a letter from Mr. Roche. I was complaining the way business was going, there was a lot of volume of business being done and I was not getting any patronage. I thought it belonged to the public, it was a public affair. I had a letter and I told him I didn't think the letter was very much good unless he gave me an order for some specific line. I had letters before, I could not get anything for some reason or other. I got a specific order to make ventilators, I think, for that year and smoke—

Q. I understand you got that from Mr. Roche or Mr. Carney?—A. Mr. Roche, I think.

Q. Mr. Roche or Mr. Carney gave you that specific order?—A. Yes.

Q. What was it for?—A. Ventilators.

Q. How many ventilators did they give you an order for?—A. I think it was perhaps until further notice or something like that, or perhaps it meant a year—no, just what would be required from time to time.

Q. It was an order then that you were to supply ventilators for a certain length of time?—A. It was an order to give me part of the patronage for the ventilators. I guess it was specific to give me an order for the ventilators.

Q. Specific?—A. Yes.

Q. That was an order to you?—A. Yes, on Mr. Parsons or Mr. Tremaine.

Q. An order to Mr. Parsons or Mr. Tremaine to give you?—A. I think it included the smoke-pipe, anyway it was ventilators.

Q. Anyway it was a letter to one of them to give you orders for the ventilators and smoke-pipes, is that right?—A. Yes, sir.

Q. Anything said about prices?—A. No, sir.

Q. Good prices you expected, of course?—A. No, sir; I did not.

Q. Was anything said about prices at all?—A. No. I know they had to be supplied at market-prices or the bills would not be passed by the officers.

Q. But what I want to know is whether Mr. Roche or Mr. Carney, which ever one wrote the letter, said anything about prices in their communication?—A. I don't think that would be in their line.

Q. You don't think that would be in their line. That is the only answer you can make. Have you got the letter?—A. No, I gave it to Mr. Tremaine or to Mr. Parsons.

Q. They would have it?—A. Yes.

Hon. Mr. CASSELS.—What date?

Mr. WATSON.—Yes.

Q. That was when, this year?—A. No, I think two years ago, perhaps three years ago.

Q. Then following upon that, of course you immediately got the order?—A. I might have got one.

Q. Try and remember a little better?—A. I don't think I got more than two.

Q. Of course, you have not been thinking of it, I suppose?—A. No.

Q. Then you got one or two orders and that is what makes up the \$600 or \$700 or so?—A. No. That \$600 or \$700 or so was for tiling, some tile-work that was done on the *Lady Laurier*.

Q. Was that before or after the ventilators?—A. I couldn't tell you. I think it was before.

Q. And what were the ventilators to be used for?—A. On top of all lighthouses; they use a ventilator on top of each lighthouse to carry off the smoke of the lamps.

Q. They wanted to put in new ventilators?—A. They were put in from time to time.

Q. They were going to put in new ones?—A. As they were required, I suppose.

Q. Yes, as they might be required. And did you have any knowledge at the time you got the letter whether ventilators were required, did you have any knowledge from the department whether ventilators were required?—A. No. I knew they were required from time to time right along.

Q. Do you know whether Mr. Roche or Mr. Carney, whichever one wrote the letter, had any knowledge that ventilators were required at that time?—A. I don't think. I think it was I asked them to have a specific order so I might have the patronage.

Q. I see. Ventilators were in your line?—A. Yes.

Q. So it was just in that way. Who else is there that supplies ventilators here?—A. Magnus and Lowdnes.

Q. Yes. Two or three other firms?—A. I think at that time Magnus and Lowdnes and I supplied them all that year, perhaps for years, and perhaps the Russell Company of Dartmouth at that time.

Q. Eh?—A. I think the Russell Company, of Dartmouth, were making some.

Q. Then following upon that you went on immediately, I suppose, and prepared ventilators and filled the order, did you?—A. No, I waited for orders that never came.

Q. Eh?—A. I waited for the orders from the department I did not get.

Q. You did not get?—A. Those ventilators were made to order, to detail.

Q. You made ventilators afterwards?—A. I didn't get them, I didn't make any more than two.

Q. You did not get much out of that?—A. No.

Q. How did that come about?—A. I don't know. Perhaps they were not required or perhaps they had an overstock, and were using what they had in stock.

Q. Do you remember which one you saw, whether Mr. Parsons or Mr. Tremaine? We get along pretty slowly. Help us along if you can?—A. I think Mr. Parsons.

Q. Then, what was the conversation that took place between you and him?—A. Mr. Parsons said he would be glad to do anything he could, he was only acting there as an official, and he would be pleased to give me anything in that line that came that way.

Q. He said that?—A. Yes.

Q. Anything else he said?—A. No, I don't think.

Q. Then, before you made any supply, was anything said about prices?—A. No, sir.

Q. Nothing said about prices?—A. I don't think, they could not make them.

Q. So you charged what you thought?—A. I would charge anybody else.

Q. Didn't you put it on?—A. No.

Q. Oh, not any at all?—A. No.

Q. Apparently, it has been put on here more or less?—A. Well, I wanted to get the business; I wanted to get the trade.

Q. That is it. After you got the business you would put on the prices?—A. I might have done something if it come my way.

Q. I see. But you had to get the orders before you could put on the prices, that is right. That is the sort of understanding, I suppose, that the government pays good prices?—A. I don't think so.

Q. Then tell me, please?—A. The officials they have got down here are right.

Q. Mr. Wooten, tell me, please, about those extra prices that have been put on, 10 per cent or so above the regular prices, just look, please?—A. Yes, sir.

Q. Those extra prices, that have been put on; there is some distribution made of that profit, is there not, to your knowledge?—A. No, sir, not to my knowledge. It was a pointer to me when I heard of that extra 10 per cent.

Q. A pointer to you?—A. It was an eye-opener.

Q. An eye-opener. You don't mean the pointer was an eye-opener?—A. The pointer too.

Q. Oh, I see.

Hon. Mr. CASSELS.—A bad school, I am afraid, Mr. Watson.

Mr. WATSON.—Yes, it looks like it.

Q. Then, what about those extra profits now, try and think; some sort of distribution made of those extra profits, Mr. Wooten?—A. Not that I made.

Q. No, not of your profits?—A. I could not tell you, Mr. Watson.

Q. The profits of others?—A. I could not tell you, sir, I do not know.

Q. But don't you, and some others with you, participate, not in your own individual profits, but in one way or another in the extra profits that are made?—A. When I take on a district I generally pay for it out of my own pocket. Do you mean in a political way?

Q. I do not say a political way. What I want to know is this: These extra profits, these 10 per cent profits over and above ordinary prices, is there an understanding with you that that should be divided and that you and others should receive a proportion of the extra profit charged to the department?—A. Not to my knowledge, sir.

Q. Do those people not have to pony up for those extra profits?—A. I don't think.

Q. Try and think?—A. I don't think they do.

Q. Now, is that as far as you can go, because I was expecting you could go further than that, that is the reason I am asking you the question, is that as far as you can go—I am putting it directly—that is, that you know of an understanding that these firms and houses that put on extra prices are afterwards to pony up some of them—you know what I mean by the expression—to some others?—A. I don't think, but I think if I was getting some big patronage and there was an election on and my side was running, I think I would subscribe pretty well, you know.

Q. Out of those extra profits?—A. Yes, anything that was for legitimate expenses.

Q. What I want to get at, is not what you think you might do—you may be a good party man, that is your own affair, whether you are or not—but it is not that I am seeking to get at; it is the understanding with the people that get paid the extra prices, that is the point?—A. If you don't mind, who would be the people?

Q. Do not ask me, I am not a witness?—A. I don't know what you are referring to.

Q. There has been evidence here, I don't want to mention?—A. Who would they divide profits with?

Q. That is what I want to know from you?—A. My gracious alive, I cannot.

Q. I am not suggesting you make a personal gain?—A. No. I don't think they divide with anybody.

Q. Have you any knowledge?—A. No, sir.

Q. Listen to me again. Have you any knowledge of any arrangement or understanding that those who get the extra profits shall answer for them, pay them over, pay a portion of them over. That is just the point?—A. No, sir.

Q. Not at all directly or indirectly?—A. No, sir.

Q. Are you quite sure?—A. Yes, positive.

Q. Quite sure, quite positive. You know—or rather I put it negatively—did you not know that some people were getting extra profit?—A. No, sir.

Q. Had you not heard of that?—A. I did hear it when the trial come out.

Q. That was a very little bit of a shake of the head that time?—A. I heard it at the trial, not before that.

Q. You did not hear it before?—A. No. They would have fooled me if I had been supplying the goods the chances are.

Q. You would have given them too low?—A. Yes.

Q. I see, they would have fooled you. Well, now, it would be since October, 1905, I gather they would fool you, because you were up to it at that time pretty well?—A. Perhaps I was.

Q. Do you remember an account you rendered for \$874, which was certified by Mr. Parsons as being correct, for plumbing and repairs to the government steamer *Lady Laurier*?—A. Indde, they owe me \$200 yet.

Q. You remember that do you?—A. Yes, I do.

Q. You remember that?—A. Yes. There is still \$200 unpaid. I remember that.

Q. You were doing those repairs?—A. Yes.

Q. And did them by the day's work?—A. By the day's work.

Q. Your own men by day work?—A. Yes.

Q. Now, you see, I want to get your books, your time books. We will have those in the morning, will we?—A. Yes.

Q. And you used your own material, material that you bought and had on hand?—A. Yes, sir.

Q. And you charged for the material?—A. Yes, sir.

Q. And you charged for the day's work?—A. Yes, sir.

Q. So you charged I suppose fairly good prices?—A. Yes, the same as I charge anybody else.

Q. The same you say as you charge anybody else. And in that bill you put in for yourself a charge of \$4 a day for fifty days for supervising the repairs?—A. Yes, sir.

Eh?—A. Yes, sir.

Q. I see. You were up to it pretty well at that time were you not?—A. I don't know.

Q. \$4 a day for 50 days for supervising the repairs?—A. That is the \$200 they don't want to pay.

Q. But the whole repairs were only \$674?—A. They might not be \$364, but I might charge \$200 for my services.

Q. You might charge \$200 for your services on \$300 worth of repairs?—A. Yes, I might do all the repairs myself.

Q. Then it would be represented by the \$300—A. I do—

Q. What would be represented by the \$300. Now then, that is the fact, do you see, that the total account was \$874 and that account included your charge of 50 days at \$4 a day for supervising the repairs, so that the repairs themselves were \$674, and in that you charged full and regular prices for material and work, is not that right?—A. Yes, sir.

Q. Yes, full and regular prices for material and work done, and yet you put on to that \$200 for yourself?—A. I did.

Q. What other work were you doing during that 50 days, can you remember?—A. What other work.

Q. Yes. 50 days is a good long time?—A. I know, but I was doing perhaps a dozen other jobs.

Q. Yes, you, are a very busy man?—A. Yes, fairly.

Q. You have a lot of work going on?—A. I would not work 10 hours a day for \$4 a day.

Q. I do not expect you would. Some of those days you were not there at all?—A. I was there.

Q. Just give a call in?—A. I was there and saw the work done all right, I was responsible for the work.

Q. You were of course responsible for the work, you took the order for it. You employ good men?—A. Yes.

Hon. Mr. CASSLES.—Mr. Watson, the government refused to pay for it.

Mr. WATSON.—I am just coming to that my lord.

Q. But that was the condition then in connection with that. You are aware the agent here, Mr. Parsons, certified to that account?—A. Yes, sir.

Q. Did you speak to him when you put in the account?—A. No, sir.

Q. Eh?—A. No, sir.

Q. You did not speak to him about it?—A. No, sir.

Q. To whom did you send it?—A. To the department at Ottawa.

Q. No, it went through Mr. Parsons here, you see.—A. Oh, I spoke to Captain Johnston.

Q. Oh, I see, you spoke to Captain Johnston?—A. He said: 'Fight it out.' It was on his vessel, he was captain of the *Lady Laurier*.

Q. He was the right man to speak to?—A. No. One moment. I saw Captain Johnston, I think it was the engineer, I think now it was the engineer I spoke to

Q. What is his name?—A. Stewart, Charles Stewart.

Q. And he referred you to Mr. Johnston?—A. No, he checked this, he kept the time.

Q. What did you say to Captain Johnston?—A. Nothing, sir. I went to get the bill certified to send to Ottawa to get the money.

Q. You said you spoke to Captain Johnston?—A. Either Captain Johnston I spoke to or Captain Stewart.

Q. You are not sure?—A. No. The bill would show which one certified it.

Q. Yes. What did you say to Captain Johnston, 'hurry up and put it through, fire ahead'?—A. No.

Q. Captain Johnston is a personal friend of yours?—A. Yes, I think so, like Mr. McIlreith or any of these gentlemen sitting around here, I know them all.

Q. Well, Mr. Stewart is a personal friend of yours as well?—A. Yes, sir.

Q. And you were there when it was certified to by Captain Johnston and Mr. Stewart?—A. No, sir.

Q. Were you there when it was certified to by Mr. Parsons?—A. No, sir.

Q. What did you say to Captain Johnston about that 50 days at \$4 a day? Just try and think?—A. I didn't say anything.

Q. What?—A. I don't think I had anything to say. That was legitimate enough.

Q. Putting it on a little bit, was it not?—A. No.

The department refused to pay it, as his lordship says?—A. I know they refused to pay on the ground I put it in at \$4 a day for 50 days. I was given to understand I should have given it as superintending the work.

Q. You ought to have put it some other way?—A. Superintending the work.

Q. So it would not appear like that, is that what you mean?—A. I don't think they intended it that way, but I think they expected me to work 10 hours a day for \$4 a day.

Q. You had a foreman there for the job?—A. Have you the bill there?

Q. You had a foreman there?—A. I had a good man there.

Q. A man acting as foreman?—A. I acted as foreman. Perhaps that is the way I should have put the bill in, made it read foreman on the work.

Q. Now, the account was paid less \$200?—A. Yes.

Q. And you were called down there by the agent afterwards, Mr. Parsons?—A. No, sir.

Q. Well, his attention, I am advised, was called to this item?—A. I called his attention to it.

Q. Oh, you called his attention to it?—A. I didn't get paid, that I didn't get paid.

Q. And are you aware the agent replied he had nothing to do with repairs?—A. I would not think that.

Q. You would not think that?—A. No, I don't see how that could be because—

Q. Now then, that brings up a further point?—A. And I think he had full knowledge because he gave me a copy of the bill certified by them.

Q. I see the record I have from the department is that he said he had no personal knowledge of the repairs?—A. I have that there.

Q. You have a copy of that?—A. I have a copy certified by them because I put it in my lawyer's hands to collect it.

Q. That brings up the question again with regard to the officials there. Where was the *Lady Lawrier* at that time?—A. At the Marine and Fisheries wharf.

Q. Some days—is it not the fact that some days you did not call at all during that whole 50 days?—A. No, I called every day.

Q. You stayed how long, two or three minutes sometimes?—A. I never would stay less than an hour I think.

Q. Try and think?—A. I don't think so.

Q. You think so, you are not quite sure?—A. Sometimes I stayed five hours.

Q. Let us take five hours. That job amounting to \$674 altogether took 50 days to do. What were you doing there five hours, you were not working?—A. I was superintending the tearing out and putting back and exchanging work around, that is what I would be doing there.

Q. But you see manifestly upon its face it is an extraordinary proposition to speak about \$200 for supervising \$670 worth of work, especially when you have a good man there to take charge and act as practical foreman; that is manifestly wrong upon its face?—A. I don't think so. All the specifications call for personal superintendence on the work, government specifications.

Q. I see. Then at all events?—A. If I was figuring that job at public tender I would not undertake to take that job at less money.

Q. Now is it a fact your books will show at that time you had a large amount of work on hand?—A. I don't think so.

Q. We will have to see from the books?—A. Not over the ordinary. I never have very much, you know, I just have enough so I can look after it right. I can get more to handle than what I can handle in a shipshape way.

Q. What staff did you have at that time, twenty men?—A. About fifteen to twenty men.

Q. Twenty to twenty-five men?—A. No, about fifteen men.

Q. Now you knew at that time, did you, that charges for the repairing of the

*Lady Laurier* were running up—I was going to say running up like thunder rolls—did you know of that at that time, because I see from what I have here that the total amount expended on the *Lady Laurier* for the three fiscal years, I think it is at Halifax, was \$72,316?—A. Possibly.

Q. That would about buy it?—A. I don't know how big she is. What is her tonnage?

Q. I do not know. At all events, that is the long and short of it, is it, what you have said?—A. Well, Mr. Watson, I think so. I think there was some heating being done in her the same time.

Q. And you knew, I suppose, everybody was charging good round prices. Was that just put on to run it up something like that?—A. I don't think.

Q. Eh?—A. I don't think.

Q. You don't think. I see, that is as far as you go, is it. Then kindly let us have the books to-morrow morning?—A. Yes, sir.

Q. Can you kindly be here at ten o'clock?—A. Yes, sir.

Q. I am much obliged to you.

GEORGE E. FAULKNER, sworn.

*By Mr. Perron:*

Q. Mr. Faulkner, one Merlin, when examined to-day stated that you had his books in your quality of official assignee?—A. Official assignee.

Q. Have you his books?—A. I think he was a partner in a firm that made an assignment to me two or three years ago, perhaps.

Q. Is it possible for you to find out exactly the date he assigned?—A. Yes.

Q. And also the books?—A. Yes.

Q. Have you got the books here?—A. No.

Q. It is most important we should get them, Mr. Faulkner?—A. I will get them if they can be found. When I close up these estates I sell the uncollected book debts at auction, and sometimes the books go to the purchasers.

Q. Will you ask your clerk to look for them? We need those books to-morrow morning, if you can get them?—A. I will try.

*By Mr. Watson:*

Q. Have you been selling any goods to the department?—A. Not a dollar. They don't patronize me. I have nothing to sell.

JAMES R. DOUGLAS, recalled.

*By Mr. Perron:*

Q. Mr. Douglas, you have already stated that you are the sole partner in the firm of Douglas & Co.?—A. Yes, sir.

Q. Doing business in Dartmouth under the name of Douglas & Co.?—A. Yes.

Q. As founders, a general foundry?—A. Yes.

Q. And you have also stated you have been in business for yourself since 1904?—A. That is right.

Q. Do you remember the month in 1904?—A. I opened the business up the 17th of February.

Q. 1904?—A. 1904.

Q. I understand that you continued your father's business?—A. Yes. He was buried on the 16th; I opened on the 17th.

Q. Now, since then you have sold goods to the Department of Marine and Fisheries?—A. Yes, sir.

Q. Every year?—A. No.

Q. Well, in 1904, how much about did you sell to the department?—A. 1904, if I remember—

Q. You have your books here if you want to see them?—A. I would like to look at them.

Q. All right?—A. (Witness refers to books.) I dont see an account for 1904.

Q. Well, then, let us take 1905?—A. 1905?

Q. Yes, please?—A. You want the whole year?

Q. The total amount of sales?—A. Of the year. About \$452.

Q. During the?—A. No, no, I beg your pardon, that is wrong, \$345.

Q. What were you selling that year?—A. Grate-bars, principally.

Q. Principally?—A. Grate bars for the furnaces of the steamers.

Q. Who ordered those goods from you?—A. Who ordered them?

Q. Yes?—A. Well, I think the most of the orders came to me direct from the department, from the yard. I believe I got one order from Mr. Stewart of the *Laurier*.

Q. Mr. Stewart, the engineer on board the *Laurier*?—A. Yes.

Q. Those fire grates, I understand from you, were put on board the *Laurier* last year?—A. Not all on the *Laurier*; there are some here for the *Aberdeen*.

Q. Yes. Is that all?—A. And I think some of those bars were for the lighthouses also.

Q. The *Laurier*, the *Aberdeen* and the lighthouses?—A. And the *Help*. I don't know what that is.

Q. Now, did you deliver those goods yourself on board the steamers?—A. No sir; my men did.

Q. I understand that. But you went on board yourself, did you?—A. No, I sent duplicate memoranda.

Q. Now, you stated to me that in so far as the *Laurier* was concerned you had seen Mr. Stewart, the engineer, about those bars. Who else did you see in connection with the *Lady Laurier* and in connection with those sales?—A. Nobody else.

Q. Nobody else?—A. Yes

Q. Are you sure, now?—A. I am positive.

Q. Those bars were to be received and approved by Mr. Stewart?—A. Yes. I altered the patterns to suit him myself.

Q. Now, who did you see in connection with the bars delivered to the *Aberdeen*?—A. Mr. Stewart.

Q. He is also an engineer on board the *Aberdeen*?—A. Yes.

Q. Can you give me his first name and the first name of the stewart on board the *Lady Laurier*?—A. No, sir, I cannot. I think the man that was on board the *Laurier*, I think his name was Charles.

Q. Charles Stewart?—A. The other man, I don't know his name.

Q. William?—A. I don't know his name at all. I call him engineer Stewart.

Q. Now, the orders in connection with the lighthouses were given to you by Captain Johnston?—A. No, sir.

Q. By whom?—A. I have received them through the mail.

Q. I understand that?—A. Well—

Q. But to fill those orders you had to see Captain Johnston?—A. No, sir.

Q. Whom did you see, who received all your goods?—A. I never saw Captain Johnston in my life to know him.

Q. Well, whom did you see in connection with the goods delivered to the lighthouses?—A. Nobody.

Q. Well, surely someone received the goods and approved of them?—A. I got the order from the department, I got an old bar from the department.

Q. Yes. Who brought you the old bar from the department?—A. I went over to the old Marine and Fisheries and got the bar myself.

Q. When you went to the old office of the Marine and Fisheries whom did you see there?—A. I got a bar from a man who was in the wareroom or warehouse. I don't know the man's name, I didn't ask him. I asked him if there was a bar left there for Douglas & Co., Dartmouth. He said yes, and I took it.

Q. Whom did you ask to leave that bar there, you had telephoned?—A. I asked some one over the telephone.

Q. Whom did you ask?—A. I don't know.

Q. Mr. Schmidt?—A. Who.

Q. Mr. Schmidt or Smith?—A. No, he was not there then; this is some years ago.

Q. Well, was it Mr. McConkey?—A. Remember, this is before I took over the business

A. No, I beg your pardon. You took the business over in 1904; this is 1905?—A. I know it is.

Q. You make a mistake there?—A. I say that perhaps a few of those bars were for the lighthouses.

Q. Let us get away from the 'perhaps'?—A. Yes.

Q. Let us confine ourselves to the facts; perhaps is of no use. You said to me you took over this business in 1904?—A. Yes, sir, I did.

Q. Now, we are going over the accounts for 1905?—A. Yes, I understand that.

Q. And you said to me you delivered some iron bars to the *Lady Laurier*, the *Aberdeen* and some of the lighthouses?—A. Yes.

Q. Now, I want to know who dealt with you in connection with the bars delivered to the lighthouses?—A. Well, I will try and tell you.

Q. Well, that is what I want to know, sir?—A. I received an order.

Q. Pass over the reception of the order; we know about those?—A. You want me to explain something?

Q. I am not asking you to explain at all. I want to know the name of the person whom you saw or communicated with by telephone or otherwise in connection with those iron bars?—A. I don't know.

Q. What?—A. I don't know.

Q. You do not know?—A. No, sir, I do not.

Q. You cannot tell me with whom you communicated in connection with those iron bars delivered for the lighthouses?—A. Not for the lighthouses.

Q. You telephoned some one to leave a bar there, you went and got the bar?—A. Yes.

Q. And you don't remember to whom you spoke on the telephone?—A. No, I never mentioned a man's name in that transaction at all.

Q. Quite a blind transaction?—A. No, not blind, not by any means. I am not blind.

Q. Well, you delivered those bars?—A. We delivered the bars yes..

Q. Who made the prices with you?—A. Who?

Q. Who made the prices with you?—A. With me?

Q. Yes?—A. Nobody.

Q. You made the prices?—A. I made the prices.

Q. Never any question about those prices between yourself and anybody else?—A. No.

Q. Never discussed?—A. No, never discussed.

Q. No. There was no labour on that—just iron?—A. Just iron bars, that is all.

Q. Yes. Now, you got 25 per cent over and above retail prices for this iron?—A. No, sir, I did not.

Q. How much was it?—A. Three cents a pound.

Q. I am not asking you that at all. I know it was 3 cents a pound. You say you did not get 25 per cent over and above retail prices?—A. No, I did not.

Q. Twenty?—A. No, sir.

Q. What was it?—A. I put those bars in at the market price, what I would put them in to McDonald, W. M. Morris, Longard, or anybody who want grate bars of that kind.

Q. How much did you put on top of it?—A. Three cents a pound.

Q. Did you sell only iron bars that year?—A. What?

Q. Did you sell only iron bars that year, is that what you sold that year, 1905?—  
A. That is all. There is the account here for patterns.

Q. What were those patterns for?—A. Grate bars.

Q. Who ordered them from you, who gave you the order for those patterns?—A. I don't just know now.

Q. Well, try and remember?—A. No, I cannot. 1905, who gave me orders for them bars?

Q. Yes. Three years, that is all. Try and think. You do not seem to remember the names of the officials then?—A. I remember everything. I am not trying to hide anything, don't forget that.

Q. Let me have the name of the gentleman who gave you the order for those patterns?—A. Well, I will think again.

Q. Think again?—A. By the—

Q. You cannot for the present?—A. By the look of this account here on the book for 101 bars and 100, if that was for the *Laurier*, which I am inclined to think it was, I was ordered to make the bars by Mr. Stewart, Charles Stewart; if that is for the *Laurier*, I don't know if it is or not.

Q. For the present all you can tell me is this, that you can only remember the names of the two Mr. Stewarts?—A. Yes, sir.

Q. As having had dealings with them. You do not remember anybody else for 1905?—A. No.

Q. Nobody?—A. No.

Q. Let us take 1906. Now, what did you sell in 1906 and 1907?—A. I sold some grate bars April 12.

Q. I do not want the date. What?—A. Grate bars for the *Aberdeen* and *Laurier*.

Q. Whom did you see in connection with the goods?—A. For the *Laurier* in 1906, Mr. Stewart.

Q. Yes; and?—A. Charles Stewart. The *Aberdeen*, the other Mr. Stewart.

Q. Yes; and?—A. And that *Help* that was down in the Mill Cove.

Q. Whom did you see?—A. I got the order from the engineer of that.

Q. Who was he?—A. I don't know, sir, I don't know his name.

Q. You have not seen him since?—A. Never.

Q. Now, whom did you see besides, is that all?—A. That is all.

Q. Who made the prices?—A. Who?

Q. Who made the prices with you?—A. When Mr. Stewart produced his bar pattern, I told him that I should get more than 3 cents a pound for that bar.

Q. Well, how much did you get?—A. I got 3 cents a pound for it.

Q. And what did he tell you?—A. He did not say anything.

Q. But you told him you ought to get more?—A. Yes, because it was a difficult bar to make.

Q. Now, you are carrying on quite a large business?—A. Not very.

Q. Large enough?—A. Oh, well, yes, as much as I can do.

Q. I see you issue a good many cheques?—A. Yes.

Q. Have you got a bookkeeper?—A. Yes.

Q. You sign the cheques yourself?—A. Yes.

Q. Yourself?—A. Yes, sir.

Q. The cheques are filled in by yourself or the bookkeeper?—A. Not always, sometimes.

Q. By yourself?—A. By him, and sometimes by myself.

Q. You have your regular system of doing business?—A. I think so.

Q. A regular system of books?—A. Yes, sir.

Q. You keep a record of all that is going on?—A. Yes, sir.

Q. Payments and everything?—A. Yes, sir.

Q. In the ordinary course of business when you have to pay an account or a bill

you make your cheque payable to the order of the party to whom you owe this bill?

—A. As a rule, yes.

Q. As a rule?—A. As a rule.

Q. Of course, this is the general and common rule of trade to make cheques payable to the order of the party to whom you owe; the cheques which are made payable otherwise are as a rule out of the ordinary course of business?—A. No, sir. excuse me.

Q. Well, how do you reconcile both?—A. For instance—

Q. I am not asking you that. You told me a minute ago whenever you issued cheques in the ordinary course of business you made them payable to order?—A. That is right.

Q. Yes. Well, now, I see you have at least one-half or one-third of your cheques payable to bearer, cash?—A. I think you will find perhaps the majority of those are for—if you will look on the back you will see they are for wages.

Q. Well, I have searched them for wages; those for wages are not there.—A. Is that payable to cash? (Exhibiting cheque.)

Q. In the ordinary course of your business they are not made payable to cash?—A. Oh, that is all right, I can explain that.

Q. Now, what are those cheques to bearer or cash for?—A. Which ones do you refer to?

Q. Those. (Handing over bundle to witness.)—A. The whole of them

Q. Well, as a rule.—A. Here is one payable to cash.

Q. Yes. A. See that (exhibiting cheque.)?

Q. Well, those are wages?—A. Yes.

Q. Well, outside of those there are very few for wages?—A. There are more than that.

Q. Of course.—A. Here is another.

Q. I know there are some of them. What about the others?—A. I can explain every cheque I have got there.

Q. How can you explain it?—A. Hand me up the butts and I will tell you all about them.

Q. The stubs?—A. The stubs. Now, you call them over.

Q. What I want from you is this, I want the cheques if any which are made payable to cash or bearer and which have been given as commissions or otherwise?—A. I have never given a commission.

Q. Or loans?—A. Or loans.

Q. Yes, loans?—A. Loans, no.

Q. I want those cheques?—A. I will take that back. I have given loans to my own friends. You refer to this department, do you?

Q. Yes, always, always.—A. No, I never gave a loan nor never gave a cheque.

Q. Well, what about the cash? Let me see in your books where is the account of Mr. Stewart?—A. What account?

Q. The account of Mr. Stewart, engineer?—A. I have no account of his.

Q. Why?—A. Why? Because I was not dealing with him. I had my account against the department. I have got no account against either Mr. Stewart or Mr. Schmidt or anybody else in the department.

Q. Where is the record of your transactions with them?—A. The record?

Q. Yes?—A. I am on my oath; that is the record.

Q. That is the record?—A. That is the record.

Q. What I am asking you about now is the record of your transactions with them?—A. I have got none. There is the book. I have carried out their orders. I have rendered my bill, and some bills are paid and some are not. I have had no transactions on my books with either of those men.

Q. All right. If you say so I am only too pleased to accept your statement.—A. That is what I say.

Q. My instructions were to the contrary, that is all. Without mentioning any

name—I do not want you to mention the name—is this gentleman in the employment of the Department of Marine and Fisheries?—A. No.

Q. He is not; a party of the same name?—A. No, I bought some iron from that man.

Q. He is not?—A. No.

Q. That is all, Mr. Douglas.

Captain J. A. FARQUHAR called, not present

W. S. DAVIDSON, recalled.

*By Mr. Watson:*

Q. Mr. Davidson, the books of the Halifax Towing Company are here, but the one I want is that containing the record of the transactions with the department, it is a ledger containing that. Kindly have that in the morning?—A. Yes.

Mr. WATSON.—Will your lordship adjourn now till the morning?

Hon. Mr. CASSELS.—Very well. Ten o'clock.

(Adjourned at 4.40 p.m., to 10 a.m., to-morrow.)

HALIFAX, December 2, 1908, 10.20 a.m.

GEORGE H. PARSONS appears on behalf of Mr. Jonathan Parsons.

G. A. WOOTEN, recalled.

Mr. WATSON.—I just ask for Mr. Wooten, my lord. I find he is here without the books again. He says it is a mistake. They were to be here, they will be here in a moment or two with the books.

Mr. WATSON.—We have a letter, my lord, with regard to Captain William Watt, whose evidence we regard as quite material. The letter is accompanied by a doctor's certificate, Dr. Campbell, saying it is impossible for him to give evidence. It will be necessary, my lord, I think that an effort should be made to get his evidence at his house if he is not able to come to the court.

Hon. Mr. CASSELS.—Where does he live?

Mr. WATSON.—I am not sure. It is not stated. He is here in town somewhere.

Hon. Mr. CASSELS.—Who is the doctor?

Mr. WATSON.—Dr. Campbell, my lord.

Hon. Mr. CASSELS.—Is he in town?

Mr. WATSON.—Yes, my lord, the certificate is signed here in Halifax. Dr. Campbell, I suppose is not here in court?

Hon. Mr. CASSELS.—Would it not be well to get Dr. Campbell and find out what is the matter with Captain Watt?

Mr. WATSON.—Yes, my lord.

My lord, the evidence of Mr. Howell will also, I think, be quite necessary. In the course of the investigation we receive notes and messages from time to time. I regret very much, my lord, that the gentlemen or people who afford us information are not willing to sign their names, the messages are sent in anonymously. The letter just received a few moments ago, amongst other things, says that Mr. Howell could attend himself with very slight exertion. If his evidence is material that condition of affairs is quite unsatisfactory in that respect.

Is Mr. Howell's bookkeeper here?

Mr. STEVENS.—Yes.

Mr. WATSON.—I wish you would go to Mr. Howell's house now and see him, and tell him we would like very much for him to take a cab and drive down here by a quarter past two o'clock.

Mr. STEVENS.—Could not you take his evidence in the house? His condition is dangerous.

Mr. WATSON.—The witness, my lord, asks if the evidence could be taken at Mr. Howell's house.

Hon. Mr. CASSELS.—It seems to me what you have got to do is to retain some doctor and let him examine these people. He can then certify whether they are unfit to come to the court. If a man is ill he should not be dragged out.

Mr. STEVENS.—It is a case of double illness, his wife and himself.

Hon. Mr. CASSELS.—We do not want his wife here.

Mr. STEVENS.—But the conditions are critical.

Mr. WATSON.—I wish you would go and see if it is not possible for him to come down—we would not keep him long—at a quarter past two o'clock. Report to us when you come back.

It may be necessary to have some physician attend in respect to him and in respect to some others in the same position.

Hon. Mr. CASSELS.—Yes.

C. C. LONGARD, recalled.

*By Mr. Watson:*

Q. Have you been thinking those matters over since you were here last?—A. No doubt sir they have been going through my mind.

Q. Eh?—A. They have been going through my mind to some extent.

Q. To some extent?—A. Yes.

Q. You were not able to be out yesterday?—A. I was not, sir, and I am not able to be out now, if I had my rights. I am fit to be in bed. I have not had a bite in my stomach since noon. Coming out of bed and coming down here, it is not right, my lord. I am a sick man not fit to be here.

*By Hon. Mr. Cassels:*

Q. What is it?—A. I do not know. My daughter had typhoid fever, and I don't know but what I am not getting it myself. I am not fit to be here. I can come in this afternoon. You can go on taking my evidence now, I am ready for it.

*By Mr. Watson:*

Q. You are ready for it?—A. If that is the verdict.

*By Hon. Mr. Cassels:*

Q. Sit down, Mr. Longard.—A. I could have got a doctor's certificate this morning if I wished that I was not well enough to attend, but I did not want a circus like yesterday about my house.

*By Mr. Watson:*

Q. Have you heard about Hines?—A. I have not.

Q. Have you made inquiries about him?—A. Yes.

Q. Where is he?—A. I don't know where he is.

Q. Does your bookkeeper know where he is?—A. The last he heard of him he was at Boston.

Q. Ask your bookkeeper to hand to you, if you please, the telegram received from him. Has there been any word since then?—A. I have had none.

Q. You have had none?—A. No.

Q. This is away back to November 19, Halifax, 'writing, leaving for New York and Pittsburg.' Then has any effort been made to get into communication with him?—A. I went up on Monday night to see his wife and asked her if she had any information. She said she had never received a letter from him since he left home.

Says I, 'Mrs. IIines, it is important that that man should be here, I want him here.' she said: 'You will have to get at him, I don't know where he is, he has never written to me one word.'

Q. Then I understand you have not had any message from him?—A. Not at all.

Mr. WATSON.—My lord, the information we have had leads us to the view at the present time that it would be quite impossible that this investigation should be closed without having the evidence of John IIines. I merely want to mention that as well in your presence as in that of Mr. Longard's so that you will know what the position is.

WITNESS.—I am only sorry he is not here, I can tell you.

Mr. WATSON.—I suppose if he does not reach here before his lordship rises there would not be much difficulty in having him come to Ottawa?—A. Certainly, he will go anywhere you want him.

Q. Yes. Then we were looking at the ledger in regard to the account of Mr. Parsons. Have you the book here prior, to January 1, 1904?—A. (The Bookkeeper; I have not the day book, Mr. Watson. You have the ledger prior to that.)

Q. Come around and pick it out, please. In 1904 and 1905 work was done by your firm for Mr. Parsons in his house?—A. That is right.

Q. Or about it?—A. Yes.

Q. What did you say was the character of the work?—A. A hot water boiler was fitted up. I don't know whether there were any other fittings to go with it or not.

Q. A hot water boiler?—A. Yes, sir.

Q. I see that in December, 1901, a considerable portion of the account was contracted. Then, do you recollect how much work was done before 1901?—A. No, sir, I do not.

Q. You do not?—A. No. I tell you the dates.

Q. You are not familiar with that?—A. I am not familiar with that.

Q. You will have to rely on the books?—A. Yes, you will have to take them from the books.

Q. I see one entry from the books in December, 1901: To merchandise, \$124.31. Merchandise, that would be something different from what you were speaking of, would it not?—A. I am not able to tell you, sir.

Q. Not able to tell?—A. No.

Q. Did Mr. Parsons apply to you to have the work done, to you personally?—A. If you are referring to that boiler I spoke of, my memory leads me to believe, and I think I am right—

Q. Is that the former residence?—A. The former residence. Are you referring now to when he first came to see me or the firm about this boiler?

Q. Yes, I am?—A. Well, if I remember right, he came with Douglas Stephens, the late inspector of steamboats. I think he brought him in to show him the boiler and recommend it to him; and whether I got the order or not I cannot tell you. That is about as far as my recollection can go, that Mr. Douglas Stephens came with him.

Q. Then what is your usual period of credit, or do you usually do a cash business?—A. I am sorry to say we do not; there is not enough that way.

Q. What do you expect your credit to be, three months?—A. We send out our bills once in six months, but we might send them out every day.

Q. Every day?—A. Yes, according to the business.

Q. Then, in 1901, do you recollect asking Mr. Parsons to pay the account?—A. No, I do not.

Q. You do not?—A. No.

Q. You would have more or less to do with the accounts than your brother?—A. Well, I cannot say that, no.

Q. One about as much as the other, is that right?—A. I might possibly have more to do; I have been there at the office more than he has for the last five or six years back.

Q. I see. Then, you do not recollect asking him in 1901 to pay the account. Do you recollect asking him in 1902 to pay the account?—A. No, I do not.

Q. Or in any other year?—A. I do not, sir.

Q. Or at any other time.—A. I do not.

Q. Have you any personal knowledge by what your brother has told you, whether he asked him personally to pay the account?—A. I don't know my brother ever spoke to him about it; I have no recollection.

Q. You have no recollection?—A. He might have. I have no doubt he did.

Q. You have no recollection of it?—A. No.

Q. I see in the end the account amounts to quite a considerable sum. Now, then, it ran along that way. I understood you to say on Monday that Mr. Parsons afterwards sold or disposed of that house and acquired another. Is that right?—A. Did I say he acquired another one? He moved his residence to the dock yard.

Q. He came into possession of another, perhaps that is it. Then his present residence is in the dock yard, is that right?—A. Yes, sir.

Q. Do you know whether that is his own residence or whether that is furnished to him by the department?—A. I know nothing about it, sir.

Q. You know nothing about that?—A. No.

Q. Then he went there, apparently, some time in 1904, was it?—A. I don't know when he went there.

Q. Let me see the book after 1904. At all events after he went there you did other work for him at that house?—A. What house are you referring to?

Q. The house at the dock yard. Is that right?—A. I don't know. I have no recollection of doing any work for him at the dock yard.

Q. You furnished other material or goods for him, is that right?—A. I don't know.

Q. You don't know?—A. No.

Q. You know in 1904 that the account in and prior to 1901 was not paid?—A. Yes, I know it was not paid.

Q. Then I observe the balances are carried forward into 1908, and that in June of this year, 1908, further merchandise and goods are supplied to him amounting to \$142, in June of this year?—A. Yes.

Q. You remember that?—A. Yes, I do.

Q. Did you see him about that time?—A. No, I did not see him at all.

Q. You did not see him at all?—A. No.

Q. You knew, I think you said, that in 1901, 2, 3 and 4 and so on each year afterwards, that the account remained unpaid?—A. I did, yes.

Q. You knew that it remained unpaid and further supplies were being provided or furnished, and you knew in June, 1908, that nothing had been paid on the account for 8 or 9 years previous to that, you knew that?—A. Yes.

Q. And knowing that, you went on then and increased the account by another sum at one time of \$142, that is right, is it not?—A. That is right.

Q. Of course, Mr. Longard, you recognize I assume that that was not in the ordinary course of business, that is so, is it not; you do not usually deal with people in that way?—A. I think you will find other accounts in the books similar.

Q. I am just asking?—A. Just similar accounts you will find in those books.

Q. Similar accounts?—A. Yes.

Q. Why was the account not paid in 1902 and 1901?—A. The only reason I know is he would not pay it.

Q. He would not pay it. That is the only reason. Then is it usual when a customer says he will not pay the account to go on and furnish him more goods and material?—A. I never knew he said that.

Q. But you have just told me that he would not pay it?—A. That is the fact.

Q. That is the fact that he would not pay it. Now, then, just take that one premise that he would not pay it, is it usual when you know that a customer will not

pay an account to give him further credit after that time?—A. There are other persons in that book.

Q. I did not ask you that. Is it usual when you know a customer will not pay an account to go on giving him further credit?—A. It is usual with us at times.

Q. For special reasons, no doubt?—A. No special reasons I know of.

Q. Eh?—A. No special reasons that I know of.

Q. Well, you do not give away your goods, do you?—A. We have some assurance at the time that he is going to pay the money or the bill.

Q. Well, did you get any assurance in 1901 or any one year after that?—A. Well, the last transaction with him he promised to give a note, I think, if I am not mistaken. My bookkeeper will answer that better than I can. I am giving you now some knowledge I have from him that he would give a note or pay the money at the completion of this work.

Q. At the completion of this work?—A. Yes.

Q. But why did you not get a note or something before June, 1908, during all this period of 8 years?—A. Well, I spoke of it often enough to my bookkeeper.

Q. I see, you did not like to press Mr. Parsons?—A. I ordered him to press him.

Q. Yes. Then why were your orders not carried out?—A. They were carried out so far as my knowledge of the transaction goes.

Q. But you did not get the money?—A. I know he did not get the money.

Q. Then did Mr. Parsons tell you before this last liability was incurred that he must have this from you or to that effect?—A. Put that question to me again, will you?

Q. Before this liability was incurred in June, 1908, not long ago, did Mr. Parsons say that he must have these further goods from you, or words to that effect?—

A. I never heard that conversation at all; that is a new conversation to me.

Q. That is a new conversation?—A. Yes.

Q. Did he practically demand that the goods should be given to him?—A. He did not to my knowledge.

Q. To your knowledge then what did he do?—A. I don't know what he did.

Q. You don't know what he did?—A. No.

Q. Have you any note he gave you?—A. No.

Q. Eh?—A. No, I have none.

Q. Well, this is nearly six months since. Why have you not had the moneys since June, 1908?—A. Well, you will have to take that evidence from my bookkeeper.

Q. I will have to take that evidence from your bookkeeper?—A. Yes.

Q. You see, Mr. Longard, during all this time from 1901, on, you had been getting orders for goods from Mr. Parsons or through his agency. That is right, is it not?—A. Yes.

Q. And you had been filling those orders, and I see that your account with the department is a large one, it is an exceptionally large account with the department through this agency, it amounts to about \$56,000 during the three fiscal years, \$56,000. Now, you are aware of that condition of affairs?—A. I do, yes.

Q. So that you are aware from time to time while this personal account was being contracted and remaining unpaid that you were or your firm was getting orders from him or through his department continuously, or off and on. That was in your mind, was it?—A. I knew we were getting orders.

Q. You knew you were getting orders?—A. Certainly.

Q. And upon those orders you were making more or less profit?—A. Just the ordinary profit, sir.

Q. You were making more or less profit, I see?—A. I say ordinary profit.

Q. I am asking you. You say ordinary profit. We will have to see about that a little later on. Now then, I assume that it goes without much saying that the two transactions were more or less connected?—A. Not at all.

Q. Eh?—A. Not at all, sir.

Q. Not at all?—A. No.

Q. The fact that you were getting orders from Mr. Parsons as agent of the department and orders to this large amount, \$56,000, had nothing whatever to do with your supplying goods to him after you knew he said he would not pay the account. Do you say that, no connection?—A. Put that question to me again.

Hon. Mr. CASSELS.—I do not understand Mr. Longard said the agent stated he would not pay the account. He did not say he had said he would not.

Mr. WATSON.—That is right, my lord.

Q. Of course, he would not pay the account, and you knew he would not pay the account. That is right?—A. He did not say he would not.

Q. I did not ask you that. You say he would not pay it?—A. Yes.

Q. And you knew he would not pay it?—A. I did not know he would not pay it.

Q. You knew he did not pay it then?—A. Yes.

Q. Now, then I ask you again, does it not go without much saying that the reason he was not pressed for payment of the account which he would not pay or which he did not pay—that having the knowledge that he did not pay the account, and your not pressing that account for payment in the usual way, was connected with the circumstance that you were continuing to get orders from him for departmental purposes?—A. No connection between the two.

Q. No connection between the two?—A. None whatever.

Q. And yet you knew this was a very profitable account for you?—A. No more than any other account.

Q. No more than any other account?—A. Yes.

Q. Well, it is one of the largest accounts, is it not?—A. I don't know it is or not.

Q. Well, you ought to have some idea, I think?—A. I have not. I don't know enough about these books to tell you.

Q. You know enough about the business—leaving out the books—do you know whether this was one of the largest accounts in your business?—A. No, I could not say that.

Q. Eh?—A. No, I could not say that.

Q. Tell me of any larger account than this?—A. I do not know of any larger account.

Q. You do not know of any larger account than this, I see. And yet, although you do not know of any larger account than this, and you know this account was coming through Mr. Parsons's office, you say that the continuous credit of an unpaid account had nothing to do with the matter?—A. Yes.

Q. Eh?—A. I say that had nothing to do with the matter.

Q. You say that. Why did you not press the account?—A. It was pressed.

Q. Why did you not press it in the usual way?—A. It was pressed in the usual way.

Q. Eh?—A. It was pressed in the usual way.

Q. You never took proceedings to collect the account?—A. I don't know, it has never been done in three generations.

Q. Eh?—A. I do not know it has ever been done in three generations in our business.

Q. And yet you did not press the account?—A. That is legally press.

Q. Yes. Although you—A. That is to say, to issue for it.

Q. Yes. Although you did not in that way press for payment of the account, which account remains unpaid, you go on and give other credit. Tell me if there is another person in the city who has been treated in that way?—A. I think you will find it in those books.

Q. Just let me see the account of another customer in the city of Halifax who has been treated in that way, one other?—A. Can you put you hand on that?

The BOOKKEEPER.—I think I can. Is it necessary to make it public?

Mr. WATSON.—I am asking you to point out one other account that has been treated in that way. Have you a copy of any letter written to Mr. Parsons since 1901 about payment of the account?—A. That I cannot say.

Q. That you cannot say?—A. No.

Q. I see. Have you got your letter book here?—A. Is it here, Mr. Wilson?

Mr. WILSON.—Yes.

Mr. WATSON.—Let me see the letter book please.—A. (Mr. Wilson produces book)

Q. This is the letter book of what year?

Mr. WILSON.—1906.

Mr. WATSON.—There is nothing there under the name of Parsons?

Mr. WILSON.—This is not indexed.

Mr. WATSON.—Not indexed. 1904, you have no knowledge of any letter being written to him, you have not any personal knowledge?—A. The only personal knowledge I have is from Mr. Wilson. I ordered him to do so, and he told me he did so.

Q. That is he sent the account, you say. You see, any other accounts mentioned here which have been running along have had payments made on account and the balance is comparatively small. I want an account like this, if there is any, commencing in 1901, increasing and nothing paid from that time forward. See if there is any other such account in your books as that?—A. (Mr. Wilson looks up book.)

Q. Now then, how often do you personally see Mr. Parsons?—A. Oh, I might have seen him once a year, that is at the time we done the wrok.

Q. Any more than once a year?—A. I hardly think so.

Q. That is since 1901?—A. Yes. I hardly think so.

Q. Of course, you yourself never spoke to him about the account?—A. No, I never spoke to him about the account.

Q. I see. Did any one else in the department to your knowledge have anything to do with the account except Mr. Parsons?—A. Any one else in the Marine Department?

Q. In the department of your house?—A. Have to do with that account?

Q. Yes.—A. I have no knowledge of that.

Q. You have no knowledge of any one else. Then did you see any one else outside of the department in regard to the orders that you received or that you were seeking from the department?—A. Occasionally, yes.

Q. Whom did you see?—A. The members.

Q. The members, I sec. What did you see the members about?—A. To be placed on the patronage list.

Q. Oh, when were you placed on the patronage list?—A. I judge from the time, from 1896.

Q. From 1896, yes. Well, being on the patronage list it would not be necessary to see them again about being placed on the patronage list, would it?—A. There are many different classes of work coming up that it is necessary at times.

Q. Then how often have you seen the members during the time, I mean to say in onnection with the Marine Department; I am not asking about anything else?—A. That question I cannot answer.

Q. You cannot answer. As often as every month?—A. That I cannot answer.

Q. That you cannot answer?—A. No.

Q. You cannot say whether as often as every month during the period, that is bout matters in connection with the Marine Department, do you see, I am speaking of?—A. Yes.

Q. Nothing to do with anything else. Maybe then as often as every month you ave been seeing them; is that right?—A. It might be once in six months.

Q. I know; but it might have been once a month?—A. Yes.

Q. Well, who was running the Marine Department here at Halifax?—A. I presume Mr. Parsons.

Q. You presume Mr. Parsons. Then what did you want to see the members about it for?—A. Oh, sometimes special work was up and I would want to put my name on the patronage list.

Q. But your name was on the patronage list in 1896?—A. But there are different classes of work.

Q. There are different classes of work. What class was it you were put on for in 1896? Let us be methodical about it. What business were you doing in 1896, the same business that you are doing now?—A. The same business we are doing now.

Q. I see, the same lines?—A. The same lines.

Q. There are now no new lines. Then did you want to get orders for work or material outside of your line of business, is that what I understand?—A. No.

Q. You never asked for that?—A. No.

Q. Then the line of business, I suppose, has been the same since 1896. Perhaps this would cover the condition of affairs as applicable to you as well as to some others. I see by a memorandum here contained in an official file from the department at Ottawa this note: 'Mr. Carney, member of parliament, requests that 30 barrels of linseed at 65 cents raw and 68 cents boiled and 2 tons of sheet lead at 7 cents per pound be purchased from Messrs. William Robertson & Son. The oil and the lead might be purchased and kept in store as the price is low, but it cannot be paid for until the estimates pass this session.' That has the initials W.W.S. That would be Mr. Stumbles. This is a memorandum he made for the deputy minister according to the original file. Now, does that illustrate the nature of the interviews and transactions between you and the members?—A. I cannot say it does.

Q. But of the same character?—A. I cannot say the same character.

Q. What was it then, please? That is dated 17th December, my lord. Then what was the character of the interviews between you and the members bearing upon this question of ordering and supplying goods?—A. Just to recommend us for a particular job that was going on at the time.

Q. Just to recommend you for a particular job that was going on at the time, I see. Although you had been on the patronage list. That was, in other words, to use their influence to get you a particular order: that was right, was it, that you solicited from the members, did you?—A. No, I cannot say that.

Q. Well, did the member come to you or did you go to the member?—A. I guess I went to the member.

Q. I should think so. And you went to the member in order to get particular orders for your own firm: that is right, is it not?—A. That is right.

Q. Particular orders for your firm? And you got all the orders, practically all the orders in that way, did you not?—A. No, I won't say that.

Q. Practically all of them?—A. No.

Q. Most of them?—A. I won't say that.

Q. But you say you were going to the members it might be once a month, it might be longer. Then when you went to the member what occurred between you and the member about prices, did you tell him what you would deliver it for?—A. The question was never spoken to him.

Q. Eh?—A. I never had that conversation with the member.

Q. But I say did you say anything about prices to either of the members?—A. I did not, not to my knowledge.

Q. You did not?—A. I say I did not; I take back knowledge.

Q. You did not?—A. I did not.

Q. Did either of the members speak to you about prices?—A. I don't remember.

Q. I see, that is the way it is, you don't remember. Now, according to this memorandum you see, one of the members defined the prices. Has that been done with you sometimes?—A. I cannot say.

Q. You cannot say?—A. No.

Q. You cannot say whether it was or not, I see. Now, I see at the foot of this memorandum appears the following under the initials of the minister of the department: 'I am extremely surprised to see such a memo. It is pretty well understood that nothing should be purchased except when we have the necessary appropriation or in a case of emergency. Besides, why should we buy on credit goods which we do not require?' Then there is an interesting memo, at the foot of that from Mr. Stumbles as well, the same gentleman. He says: 'I certainly think the minister is quite right, but Mr. Carney made the first application of this kind.' Then he adds, 'I have been informed that it is customary at Sorel to hold stock until required. The price of the oil is low. W.W.S.'

(Departmental file marked (Exhibit 398.)

Q. Now, of course, you will see, Mr. Longard, that opens the door to what might be a flood of light upon the large expenditure in the department, does it not?—A. I do not understand enough about that to say.

Q. You do not understand enough about that to say?—A. No.

Q. And are you able to say definitely whether any similar thing occurred between you and a member?—A. I cannot say.

Q. You cannot say. Well now, you see you have also stated that you cannot remember whether prices were mentioned. The prices of course include the profits. Now, in view of this condition I must ask you whether there was any understanding or arrangement directly or indirectly whereby the members or anyone else were to participate in any portion of the profits and gains from this business?—A. No, there was no such arrangement.

Q. Eh?—A. No such arrangement.

Q. Any such understanding?—A. No such understanding.

Q. What?—A. No such understanding.

Q. No such understanding?—A. No such understanding.

Q. No such arrangement?—A. No sir.

Q. Did any member or other person participate to any extent in your receipts or profits from this business with the department?—A. None whatever.

Q. Eh?—A. None whatever.

Q. Do you say so?—A. I say so, yes.

Q. None whatever. Then why would, as in this case in the memorandum, why would a member give a direction, or seek to give a direction, or make a request rather as to prices, what interest would the member have in that?—A. I don't know.

Q. The same applies to your firm, does it?—A. Yes, I say yes, the same applies to the firm.

Q. Now, with what official or employee did you come in communication in the performance of the work?—A. What branch are you referring to?

Q. You take some branch. Well, I might put it this way: one branch is Mr. Schmidt, another branch is Mr. McConkey.

Q. Well now, we will take Mr. Schmidt's branch. What branch was that?—A. That would be more in connection with the engineroom department.

Q. Eh?—A. More in connection with the engineroom.

Q. The engineroom department?—A. Yes.

Q. When did you last see Mr. Schmidt?—A. When did I last see him?

Q. Yesterday?—A. The last day I was here I saw him.

Q. Did you see him yesterday or this morning?—A. No, I have not seen him yesterday or this morning.

Q. Did you have a talk with him on Monday?—A. I dined with him on Monday.

Q. You dined with Mr. Schmidt on Monday of this week?—A. Yes.

Q. That was after you had been subpoenaed here as a witness?—A. Yes, sir.

Q. That is upon his invitation I suppose you dined with him?—A. No, not on his invitation.

Q. Then upon your invitation was it?—A. Not on my invitation.

Q. Well then, on Monday you were discussing these matters with him to some extent I assume?—A. I don't think I mentioned it to him.

Q. Eh?—A. I don't think I mentioned one thing to him.

Q. Well, what did he say to you about it?—A. I don't remember he said anything about it.

Q. You don't remember?—A. I say he did not, so far as my memory goes he did not.

Q. As far as your memory goes he did not?—A. Yes.

Q. Either you to him or he to you?—A. That is right.

Q. Do you see him in the Court House now, is Mr. Schmidt here?—A. Yes.

Mr. WATSON.—I would like Mr. Schmidt to retire while this witness is giving his evidence, my lord.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—And also while the other witnesses are giving evidence with regard to matters in connection with his branch.

(Mr. Schmidt retires.)

Mr. WATSON.—I would just say in addition, my lord, that Mr. Schmidt has not been requested by counsel in charge of the investigation to be in attendance.

Hon. Mr. CASSELS.—I suppose he is interested however.

Mr. WATSON.—Oh, yes, I dare say.

Q. Now then, that branch of which he had the superintendence or charge related to engines, did it?—A. Engines and piping and one thing and another.

Q. And what did you do in respect to engines and piping?—A. We did whatever repairs you find in the bills.

Q. A matter of repairs, is that right?—A. Repairs and new work and supplies.

Q. Yes. Did you put in any new engines?—A. No, we did not.

Q. Eh?—A. No, we put no new engines in.

Q. It was a matter of repairs, that was repairs upon what, the *Lady Laurier*?—

A. Probably.

Q. Well probably, do you remember?—A. No, I don't remember.

Q. You do not remember. Do you remember whether you did any work for the *Lady Laurier*?—A. Yes, I do.

Q. When did you do it?—A. I guess ever since she came out from the Old Country.

Q. You have been working on it ever since it came out?—A. Off and on.

Q. Off and on. Well, the *Lady Laurier* has had a good deal of work done upon it, has it not? Was it in a bad condition when it got here?—A. I don't know.

Q. You don't know. Your work has been upon what part of it?—A. Oh, different parts.

Q. Different parts. Will you tell me what parts the work has been done upon?—

A. The engine room and deck.

Q. The engine room and deck?—A. Yes.

Q. Yes.—A. The saloon, all over the ships', different parts.

Q. Eh?—A. All over the ship's different parts.

Q. All over the ship's different parts?—A. Yes.

Q. Did you do much on the *Lady Laurier*?—A. You can tell, Mr. Watson, by those bills.

Q. What?—A. You can tell, Mr. Watson, by those bills.

Q. Have you any idea whether you did much?—A. Yes, I judge we did considerable.

Q. Considerable?—A. Yes.

Q. I see here in one set of accounts in regard to the *Lady Laurier* with your firm that you appear to have done work on that ship to the amount of \$18,116. That was a pretty large account, was it not?—A. A very nice account.

Q. That is a very nice account, yes. Who superintended the work that was done amounting to that much?—A. Mr. Hines, my foreman.

Q. Mr. Hines. He did that superintending. How much is Mr. Hines paid, would you mind telling me? Do you have any objection to telling me?—A. I would rather tell you privately.

Q. All right. Then mark it down there?—A. (Witness writes down information.)

Mr. WATSON.—That is by the week, my lord.

Q. Then who superintended the work on behalf of the department?—A. Well, whoever had charge of that particular job.

Q. But who was it chiefly; was that Mr. Schmidt?—A. It was his department.

Q. It was his department?—A. Yes.

Q. It would be either Mr. Schmidt or Mr. McConkey, is that right?—A. Yes, if they were here.

Q. Now, before the work was done on the *Lady Laurier*, as I understand, prices were not fixed; that is right, is it not?—A. Before the work was done?

Q. Yes?—A. In some instances.

Q. Before it was commenced, I mean?—A. I think there were some instances where prices were fixed.

Q. You think in some instances?—A. Yes.

Q. Let us have a record of any instance where prices were fixed?—A. You would have to go through the bills to find out.

Q. The bills do not show. I have gone through them?—A. No contract in those bills?

Q. No, not that I can find; it is all a matter of detail. Was there ever a case of a written contract signed by the minister, ever any such case that you recollect of?—A. No, I do not recollect any.

Q. There never was any such case—was there ever a case of a written contract signed by any one that you recollect of?—A. What are you referring to, our contracts?

Q. Yes, contracts to do the work?—A. If our contracts that were signed by us?

Q. Was there ever any such case—I do not find any such—was there ever any such case to your personal recollection?—A. I cannot tell you.

Q. You cannot tell?—A. No; but I presume there were some.

Q. You presume so. Then in the cases where the prices were not fixed, that is, beforehand, you fixed your prices after the work was done?—A. After the work was done, yes.

Q. Where do you get the material, buy it?—A. We do not steal it.

Q. Of course, I did not suggest you did?—A. You insinuated it.

Q. I said where did you get the material, did you buy it, manufacture it, or where did you get it?—A. We buy the raw material in some instances and manufacture it.

Q. That is what I wanted to find out. You buy it sometimes and manufacture it. And in other cases what; you buy and deliver it as you buy it, is that right?—A. Yes.

Q. And upon the goods which we may be able perhaps to trace or may have traced as to the goods that you buy and deliver as bought, about what is your percentage over cost—35 per cent?—A. That I cannot say.

Q. You cannot say, I see.—A. There is a regular system of charging.

Q. I know. Will you say it was not as much in some cases as 50 per cent. Will you say it was not?—A. I will not say.

Q. Will you say in some cases it was not as much as 100 per cent?—A. I do not think—I know, I will go as far as to say I know there is no such case.

Q. You will go as far as to say you know there is no such case. You think that is beyond the limit, I see. And about the same rule applies in connection with the manufactured material I assume?—A. What same rule?

Q. The same rule about percentage of profits?—A. Just the same profits.

Q. Just the same profits?—A. With everyone through our books.

Q. Yes, the same profits?—A. Our profits are just all alike.

Q. And the line of profits then as an average might fairly perhaps be fixed at between 40 and 50 per cent representing the whole account, is that not so?—A. I do not think it.

Q. You do not think it?—A. I do not think that is so.

Q. You do not think that is so, you do not think it would go as high as 40 to 50 per cent upon an average, not in all cases but the average?—A. No.

Q. Not as much?—A. Not as much.

Q. Not as much as between 40 and 50 per cent?—A. No.

Q. Will you say it was not as much as 40 per cent, leaving out between 40 and 50?—A. I will say you will have to get some information from those who made up the bills.

Q. I am asking you as a business man.—A. I cannot tell. How can I tell?

Q. Then you will not deny it may be an average of 40 per cent all round, you will not deny that will you? Will you, Mr. Longard?—A. Well, from my knowledge I will deny it.

Q. From your knowledge you will deny it?—A. From my knowledge I will deny it.

Q. That it will be as much as 40 per cent. Well, we have already spoken or at least you have already spoken about goods that are purchased and resold as purchased. You do not want to take back what you said, you do not want to take back anything you said?—A. I might take something back I said. I am not in a fit condition for you to rattle me to pieces this morning. I did not make up the bills.

Q. We will be easy. I know you did not make up the bills, but do you mean you had nothing to do with the fixing of the profits, is that so, Mr. Longard?—A. I think I could say that.

Q. That you had nothing to do with the fixing of the profits?—A. I give advice in connection with it.

Q. Then who has to do for the most part with the fixing of the profits?—A. Well, I think we all might take a hand in that.

Q. You all might?—A. Yes.

Q. That includes the bookkeeper, does it?—A. Sure.

Q. And Mr. Hines?—A. No, I do not include Mr. Hines. He has nothing to do with the profits of our business.

Q. No, he does not participate in the profits, but he has to do with the making up of the bills, has he not?—A. Yes, he has to do with the making up of the bills.

Q. I see. And the bills are made up so as to include the profits; that is right, is it not?—A. The price of the worker has nothing to do with the price of the work.

Q. He has nothing to do with the making up of the bills. Then is it left to the bookkeeper or your brother?—A. The bookkeeper principally.

Q. The bookkeeper principally, I see. That is a very important part of the business of the firm, is it not?—A. He may make you or smash you financially. I should think, under these conditions. Has the bookkeeper any interest in the business?—A. None whatever.

*By Hon. Mr. Cassels:*

Q. I suppose those accounts are looked over before sent to the government by members of the firm?—A. Oh certainly, your honour.

Q. The bookkeeper would simply make them out and they would be approved by somebody?—A. By my brother or I, whoever might be there.

Mr. WATSON.—This has just been handed to me, my lord. I have no personal knowledge about it. (Hanging paper to his lordship.)

Hon. Mr. CASSELS.—Is Mr. Schmidt in court? Mr. Sheriff, you will see that Mr. Schmidt is out of court. This memorandum says he is in court. Just see that he obeys the order of the court. Otherwise you will have to take him to some place of safety until he is called.

Mr. WATSON.—Well now, that is the condition of affairs, and I see that a good many of these accounts are—that all of them are marked by Mr. Parsons, I think all of them are initialed by him.

Q. Did you ever have any personal discussion with him as to the prices and profits we have been speaking about, personal discussion?—A. I have not from memory.

Q. I see. Now in pursuance of what has been said, I see Mr. Parsons has certified that the prices charged are fair and just. That appears to me to be on all the accounts. Assuming that there was a profit of 50 per cent, would that be fair and just do you think?—A. I will not answer that, sir.

Q. You will not answer that, I see. That is, you prefer not to answer?—A. I do not prefer, I am not able to answer it.

Q. Not able to answer it. You mean your knowledge of the business would not enable you to answer it, is that right? Then who would be in a better position to answer that question in your firm than yourself, anyone else?—A. Well, my brother might or my bookkeeper here.

Q. I see your brother or the bookkeeper might. The bookkeeper remains of course at the books?—A. He remains at the books.

Q. He has nothing to do with material or the purchasing of material or with the work done?—A. Nothing to do with the work done but he has to do with the purchasing of material.

Q. But I mean to say he makes the entries after the goods are purchased that is right?—A. Yes.

*By Hon. Mr. Cassels:*

Q. What class of material would be purchased and handed over to what extent does it amount up?

*By Mr. Watson:*

Q. His lordship was asking what is the class of material that is purchased and then delivered as purchased?—A. I could not tell you, numerous things.

Q. Well, can you give us an idea?

*By Hon. Mr. Cassels:*

Q. Have you any idea what the amount is, the total?—A. No, I could not.

*By Mr. Watson:*

Q. Then did you have to do at all with Mr. Macnamara?—A. Oh, occasionally so.

Q. Occasionally. Did you meet him personally?—A. Occasionally.

Q. That is in connection with what class of work?—A. Whatever comes under his department.

Q. Whatever comes under his department. What do you understand his department to be so far as transactions with your firm are concerned?—A. That I hardly could say. Whatever is necessary in his department in our line.

Q. I find that he certifies to a considerable number of accounts. Were you aware of that?—A. Yes, I am aware of that.

Q. He does, and Mr. Schmidt does, and Mr. McConkey; and anybody else?—A. Whatever the material what the department—indeed I cannot this morning answer you.

Q. I see, whatever there is. Then have you any personal knowledge of how much if anything, has been paid to Mr. Macnamara?—A. No knowledge whatever of anything paid to Mr. Macnamara.

Q. You have no knowledge whatever, is that right?—A. None at all, sir.

Q. None at all, I see. If any payments were made to him, through whose hands would they be likely to pass in your absence?—A. There is none I know of.

Q. Mr. Hines—if any were made would they be likely to pass through Mr. Hines?—A. What payments are you referring to?

Q. Just what is called here a gratuity.—A. A gratuity?

Q. Yes.—A. We never gave a gratuity to anyone.

Q. But have any benefits passed to Mr. Macnamara?—A. There are no benefits to Mr. Macnamara. What is he doing with benefits in our business?

Q. You said here on Monday I think, that sometimes disbursements in connection with the business were made by Mr. Hines, did you not?—A. I never used that word disbursements.

Q. You did not?—A. Give me my words, please.

Q. My recollection is—you will see whether I am correct—my recollection is that I asked you on Monday whether or not sometimes business disbursements were made through Mr. Hines. My recollection is you said that might be so?—A. I still say so.

Q. Then we are not apart about the matter. You still say so. Where would he get the money to make the disbursements, by cheque to him?—A. No, generally he got cash.

Q. Generally he got cash?—A. In some instances I daresay ther would be a cheque given to him.

Q. In such cases would the cheque be payable to his order or to the order of cash?—A. That I could not tell you.

Q. Or to cash I mean?—A. That I could not tell.

Q. Did you sometimes make cheques payable to cash?—A. To commence with, I never made a cheque out, I do not think, since I have been in the firm.

Q. You never signed cheques?—A. Yes dozens of them.

Q. Of course, the signing of them is just the same as making the cheques out?—A. That is the finishing touch.

Q. Yes, that is the important part. Then do you sometimes sign cheques payable to cash?—A. No doubt.

Q. And sometimes for large amounts given to Mr. Hines, sometimes?—A. I do not think any large cheques were ever given to Mr. Hines that I know of.

Q. Not that you know of?—A. No.

Q. Do you know of any cheque as much as a thousand dollars for cash being given to him?—A. I know of no such cheque.

Q. No, you do not know of any such cheque as that?—A. No.

Q. Then he would pay accounts, would he?—A. If he was authorized to take and pay an account he would go and pay it.

Q. He is a man you understand to be of pretty good judgement and discretion?—A. Yes, I think he has good judgment.

Q. And you of course rely more or less upon his judgment and discretion, more or less?—A. Yes, I do.

Q. Yes, you rely upon his judgment and discretion more or less. That is to promote the interests of the business, whatever may be considered in the interests of the business you rely upon his judgment and discretion to help: that is right?—A. What do you mean by that?

Q. I mean just exactly what I say; nothing else?—A. Put your question in simpler words, then I can answer you.

Q. Well, you say you rely upon his judgment and discretion more or less. You do so rely upon his judgment and discretion in connection with matters for the promotion and benefit of the business, what he may think the benefit of the business?—A. Yes I will say to that.

Q. Yes, that is right. And the promotion and benefit of the business is of course

getting orders and large accounts, it follows as a matter of course?—A. That is the benefit of the business.

Q. That is the benefit of the business, I see, getting large accounts, large profits?—A. No, I do not say that. Fair reasonable profits.

Q. Certainly. Large good accounts?—A. Fair reasonable profits.

Q. I see. Now, you rely on the book-keeper in the same way, Mr. Wilson, you rely upon his judgment and discretion?—A. Yes, I do.

Q. For the benefit of the business?—A. (Witness nods.)

Q. You nod. You mean yes?—A. Yes.

Q. The reporter cannot get down the nod, you know. For the purpose of business I see. And is there anybody else besides Mr. Hines and the book-keeper whose judgment and discretion you rely upon for the purpose of promoting business?—A. My own, my brother's.

Q. I assume that. I mean any others than yourselves, you and your brother and Mr. Wilson and Mr. Hines?—A. That is all I know of.

Q. Just the four of you?—A. Yes.

Q. Nobody outside?—A. Nobody outside.

Q. What about the discretion of Mr. MacNamara?—A. We have nothing to do with Mr. MacNamara.

Q. Or Mr. Schmidt?—A. We have nothing to do with those men other than to look after the work and to bring orders.

Q. Other than to look after the work and to bring orders, I see. That is part of their duty, of course?—A. Well, they come in and order a piece of work to be done.

Q. And the same with Mr. McConkey?—A. But they have a written order when they come.

Q. Yes. And the same with Mr. McConkey, is that right?—A. I say yes.

Q. You say yes. Then I have understood you to say that so far as you are personally concerned or have personal knowledge you are not aware of any distribution of favours to Mr. Schmidt, Mr. McConkey, Mr. MacNamara or the others: Do you go that far?—A. I have no knowledge whatsoever.

Q. Do you know whether any such things appear in your books?—A. No, no such things appear in our books.

Q. Do you know whether they do or not?—A. I know they do not.

Q. Why don't they?—A. Because we have no such transactions to appear in our books.

Q. Do you undertake to swear for Mr. Hines?—A. I do not swear for him.

Q. You do not know what he does with the money he gets in his hands he may apply in his own judgment and discretion for the benefit of the business?—A. He never got a dollar or a cheque either that I knew or some member of the firm knew at the time what it was for, or Mr. Wilson.

Q. Yes, or Mr. Wilson. And what about a cheque that is payable to cash that is given to him, say for \$500?—A. I don't know whether any such cheques were ever given to him.

Q. Do you know there was not?—A. I could not say there was not.

Q. You could not say there was not. Then assuming a cheque to be given to him payable to cash for \$500, show me in the books any application of that \$500.—A. I could not do that, sir.

Q. You could not do it, no. How often was Mr. Schmidt in your office, once a week on an average when he was here?—A. Oh, he may come in and out when he is looking after the work.

Q. Looking after the work in the office?—A. Not in the office.

Q. What would he be looking after there?—A. He might come in to discuss work going on.

Q. Where, work going on in the office?—A. No.

Q. That would be going on at the ship?—A. Yes.

Q. Then what would he be in the office discussing work for?—A. He might come in to see the foreman or myself about some particular piece of work.

Q. What is the name of the foreman?—A. Mr. Hines.

Q. Oh, the same man, Mr. Hines. He might come in to discuss with him such matters. And how often would Mr. McConkey come in, once a week?—A. I never saw Mr. McConkey but seldom in our place.

Q. But seldom—A. Yes.

Q. And who used to come in next oftenest to Mr. Schmidt?—A. That I could not say.

Q. That you could not say?—A. No.

Q. Well, give me the name of the man, Mr. Macnamara?—A. Mr. Macnamara, I saw him very seldom in the place.

Q. Then who next after Mr. Schmidt, who were the other people?—A. I don't know.

Q. Eh?—A. I cannot answer that question.

Q. You cannot answer it?—A. No.

Q. I am not speaking generally. I am speaking of officers and employees from the department. Of course, everything is limited to departmental matters here?—A. I presume when those men came in, they came in to see about some work.

Q. I am not asking that. I want to know who the parties were apart from Mr. Schmidt, Mr. McConkey, and Mr. Macnamara?—A. I could not tell you that.

Q. You could not tell me that?—A. No, I could not tell you that off hand.

Q. Can you form any idea at all?—A. No, I could not form any idea.

Q. Did the captain of the ship sometimes come in?—A. I have seen him there, yes.

Q. What is his name?—A. What ship are you referring to?—

Q. The Laurier?—A. Well, Captain Johnston.

Q. Oh, you had forgotten him—A. No, I had not forgotten him.

Q. I was trying to see whether or not you would recollect any other name. You had not forgotten him, I see. And he used to come in perhaps once or twice a week?—A. I could not say that.

Q. You could not say how often. He was one of the most frequent callers, was he not?—A. I could not say that.

Q. You could not say whether he was or not?—A. No.

Q. Is he a personal friend?—A. Well, no more than—

Q. What?—A. He is just a friend as far as any of the officials in connection with the business.

Q. Apart from that was Captain Johnston a personal friend?—A. No. Well, I don't know, he became a friend because we met him in that way.

Q. Yes, that is the way you make friends. You have known him for a very long time, is that right?—A. I have known him since we came in touch with him in the department.

Q. Did you recommend his promotion from captain to inspector of lights?—A. I do not remember.

Q. You do not remember?—A. No.

Q. You may have done so?—A. I may have.

Q. And the same with other promotions?—A. Well, probably we have.

Q. Probably you have. That is promotions of other officials—speaking of this department all the time, you will remember. Do you know personally if there is any account with any of these gentlemen entered in your book?—A. There is an account there of Captain Johnston's in the books.

Q. Is there? How do you know, have you looked at it lately?—A. I cannot say I did.

Q. Eh?—A. No, I have not seen it lately.

Q. What is his first name again?—A. Captain Peter Johnston.

Q. Will you come and show it to me Mr. Wilson, please?—A. (Book-keeper turns up account.)

Q. I saw that before. Will your lordship look at that (handing book to his lordship). That is page 80 at the bottom of the page. Captain P. C. Johnston. Who sold him this merchandise?—A. That I could not say.

Q. Have you any idea of what the merchandise is?—A. I think it is a boiler, a hot water boiler.

Q. Eh?—A. A hot water boiler.

Q. You think it is a hot water boiler?—A. Yes.

Q. You do not know who purchased it. Did you not see him about it?—A. No, I never saw him about it.

Q. Now then, was it 1905 or 1904 that that was purchased?—A. You will have to refer to the books for that.

Q. Can you tell?—A. No, I cannot tell.

Q. Do you recollect seeing him about it?—A. No, I never saw the man about it at all.

Q. You never saw the man about it at all?—A. No.

Q. Did you know that the sale was made?—A. I did not know until later on.

Q. Until later on?—A. I did not know, I was away at the time.

Q. You were away?—A. I have an idea I was away at the time or likely I would have heard about it.

Q. You do not remember where you were?—A. No.

Q. Is it so long ago you do not carry it?—A. I have no memory of that transaction.

Q. But you say your idea is you were away at the time?—A. I might have been away from the fact of my not knowing it, that would lead me to believe that.

Q. Then is it your idea that it was actually sold to him in 1905?—A. I would say yes.

Q. I am not speaking of the entries in the books at all; I am speaking of the fact. Is it your idea that it may have been sold to him in 1905?—A. I cannot tell you anything about it sir. You will have to go by the books.

Q. You cannot tell anything about it. Where was it delivered to him, at his house?—A. I presume that is where it went to.

Q. Where does he live?—A. I don't know.

Q. You presume that is where it went to?—A. Yes.

Q. Eh?—A. I don't know where he lives.

Q. Does he live in the residence at the dockyard? There are residences down there, houses where the officers reside, is that right?—A. That is right.

Q. And I suppose he is one of them probably? I do not know, I am asking you?—A. I think so.

Q. So that it probably would have been delivered down there, is that right?—A. It would never be delivered down there. What would we deliver it down there for? We never have any work for Mr. Johnston at the dockyard.

Q. What was the boiler for?—A. For his house.

Q. That is what I say, it would be delivered to him at his house in the dockyard. A. I don't know he had any house in the dockyard.

Q. Where is his house?—A. I don't know.

Q. I see, his house wherever it is. Let us have the cash book, please. Then the book-keeper says there is no entry—there is an entry in the ledger of cash, but there is no entry in the cash book of cash. I was not able to find it myself. I did not know whether the book-keeper could find it. You have no knowledge of it?—A. No knowledge of it at all.

Mr. WILSON.—The entry in the book is bills receivable.

Mr. WATSON.—No knowledge of it, I see.

Q. Who is the man in your employment who makes delivery?—A. Who makes delivery?

Q. Yes, that is carries the goods?—A. That is a hard question, there are so many that might carry the goods.

Q. Then you cannot give the name of the man who carried this boiler to Mr. Johnston, and the time when it was carried?—A. I don't think any man could carry that boiler.

Q. Well, the man that drove the wagon then, whatever it was. You know what I mean by carrying it.—A. I cannot give you that information.

Q. Would there be any trace of it in your books?—A. Not as I know of.

Q. Not that you know of, I see. Now, then, what else did Mr. Johnston get besides the boiler that you know of personally?—A. I don't know of anything else he got.

Q. You don't know of anything else he got?—A. No.

Q. Then is there an account here for Mr. Macnamara?—A. That I cannot say.

Q. Is there one for Mr. Baker?—A. That I cannot say.

Q. Or for Mr. Schmidt?—A. That I cannot say.

Q. Or for Mr. McConkey, you cannot say?—A. That I cannot say.

Q. You mean to say you have no knowledge whether there is or not?—A. I have no knowledge whether there are any such accounts in the books. They might be there.

Q. You would know of it, of course, if they were dealing with the firm, would you not?—A. I might and might not.

Q. I see, you might not. Then did you hear of any special talk or talk and conversation about this entry in the book?—A. I did.

Q. You did. From whom did you hear that?—A. Mr. Wilson.

Q. I see. You heard that from Mr. Wilson?—A. Yes

Q. Was that the last day or so you heard that?—A. It might have been a week ago, ten days ago or a month ago.

Q. It might have been a couple of days ago, is that right?—A. I don't know when he mentioned it to me. He mentioned it to me.

Q. Was it as the result of consultation that the entry was made within the last few days?—A. No. As far as I am concerned I had no part in that transaction at all.

Q. As far as you are concerned you had no part in that transaction I see. Then you would not say it was not the result of some consideration or consultation that this entry was made in the books, you will not say it was not the result of that?—A. To the best of my knowledge and belief it was not. I know nothing about it.

Q. You do not know anything about it, I see. But you said there might have been some consultation about it recently. What was the consultation about?—A. I don't know. I say there might be.

Q. Were you present when the consultation took place?—A. I was not.

Q. Did you understand it was a consultation in the presence of any one else to advise?—A. Repeat that, sir.

Q. Did you understand that the consultation was in the presence of any one as an adviser?—A. That I could not say.

Q. You could not say?—A. No.

Q. Well, that is a pretty leading and important question I think. You will say you could not say, is that right?—A. I could not say, no.

Q. I see. Did the same kind of thing that we are discussing occur with others than with Mr. Johnston?—A. The same kind of thing, what do you mean by that?

Q. Consultation.

Hon. Mr. CASSELS.—About others.

Mr. WATSON.—Yes; about others than Mr. Johnston, that is, there may have

been consideration or consultations as to advice about accounts of others?—A. I do not know.

Q. You do not know I see. That would be left, would it, to the book-keeper, Mr. Wilson, and Mr. Hines?—A. Oh, circumstances would govern that.

Q. Circumstances would control. Is that right, is that what you say?—A. Your lordship, I hardly know what I am saying. I am not fit to be rattled by this man. I am saying all kinds of things, I don't know what I am saying.

*By Hon. Mr. Cassels:*

Q. You have not said anything so far.—A. Taking a sick man and putting him on here is not right.

Q. What Mr. Watson wants to get from you is this: have there been during the last week or ten days or lately conversations or meetings where accounts have been entered up in the books which were not theretofore entered?—A. I know of no such entries.

Q. Captain Johnston's account might have been entered up lately?—A. Yes. I don't know of any consultations.

Q. Do not use the word consultations. Any discussions?—A. I do not know of any discussions in the matter.

Q. You do not know of any advice given to enter it up or anything of that sort?—A. No.

Q. Do you happen to know when it was entered up, Captain Johnston's account?—A. I think I will have to be excused from this Court. I cannot answer the questions. I am almost blind.

Q. All right, Mr. Longard. Perhaps you will be able to come back?

Mr. PARSONS.—If the examination is going to be continued some other day I would like an opportunity of cross-examining, if not, I would prefer to do it now.

Hon. Mr. CASSELS.—Mr. Longard is not in a condition to be examined.

(Witness retires.)

Q. Who are you appearing for?

Mr. PARSONS.—For the agent.

Mr. WATSON.—The bookkeeper, Mr. Stevens, has handed me a memorandum, my lord, signed by Murdock Chisolm, M.D., saying:—"This is to certify that Mrs. W. W. Howell is very dangerously ill and requires the constant presence of her husband, and that it would be indiscreet for him at this junction to leave her bedside." We will have to have some further consideration of the matter in consultation with the doctor, my lord.

JOHN P. LONGARD, SWORN.

*By Mr. Watson:*

WITNESS.—One moment, my lord. I would like to make a statement to the Court before I am examined. I am sworn. My brother in his evidence I think has misled you a little as to my status in the business. I would say that for the past 6 or 7 years I have taken no active part in the management of the business whatever or the books whatever, and further that I take charge of the office during the temporary absence of Mr. Wilson or sign cheques. Outside of that I know nothing about the accounts at all. I wish to make that statement, otherwise his statement might lead you to believe otherwise.

Mr. WATSON.—Yes, I would infer that. Do you mean by that you are not able to give any information?—A. Outside of the books, any information I can give you I will give you freely, but I have not made up the bills and do not see the bills.

Q. Have you had to do with the account and the work done for the department?  
—A. Nothing whatever.

Q. No connection with that work?—A. No, not any part for six or seven years.

*By Hon. Mr. Cassels:*

Q. How do you arrange about your profits, make out balance sheets?—A. No. Just balance the books every three or four years, about every four years.

Q. Then how do you divide the profits?—A. Just according to the book evenly.

Q. How often?—A. About every four years.

Q. Do you mean to say you do not take the profit until the end of four years?—A. We take our living.

Q. You take a fixed sum?—A. No, just take as we want it.

Q. And then at the end of four or five years you divide the balance?—A. Well, Mr. Wilson has been our manager wholly and solely.

*By Mr. Watson:*

Q. Mr. Wilson has been your manager?—A. Yes.

Q. But your brother referred to him as bookkeeper?—A. He is bookkeeper and manager both.

Q. Eh?—A. He is practically the manager of the business.

Q. Practically the manager of the business?—A. Yes.

*By Hon. Mr. Cassels:*

Q. Does he manage the accounts?—A. He manages the accounts and buys the goods, you know.

*By Mr. Watson:*

Q. He has nothing to do with the manufacturing?—A. No; just office management, supervising.

Q. I see, that is all, just the office management?—A. I just make this statement because my brother was not right.

Q. Yes. Then in respect to other matters your brother has spoken about you have been here and heard his evidence?—A. Yes.

Q. You agree with what he said in other respects, except as to your being—except you think he introduced you a little too much in the management, but in other respects you agree with what he said so far as you know?—A. Yes, anything he said of the firm. I know nothing whatever about anything of the business whatever.

Q. You do not, eh?—A. No.

Q. You do not meet people at all?—A. No, I meet no one.

Q. Do you go, for instance, to work being done on a steamship?—A. No.

Q. You know nothing about it?—A. Nothing whatever.

Q. You do not know what goes on?—A. No.

Q. What prices are charged?—A. No.

Q. And what profits made?—A. I see the profits at the end of the year.

Q. You probably could tell. Have you a record here showing the profits?—A. I suppose I have not looked in the books for four years.

Q. Will you point it out to Mr. Wilson?—A. I can point it out to you. The books were balanced four years ago. I do not wish it to be made public.

Q. It will not be made public.—A. It is my own private business.

Q. It has not been balanced for four years?—A. No.

Q. Well, if it is that long ago we will not perhaps follow it up. We can find it out afterwards if necessary.—A. I think the last was in 1904 or 5, I forget which it is.

Q. 1904 or 5. The bookkeeper will tell. Are you in the habit of meeting any officials?—A. None whatever.

Q. Never saw them?—A. I saw them come about the office, but I have no dealings with them whatever.

Q. No conversation?—A. No more than to pass the time of day.

Q. Just that?—A. Yes.

Q. They would be chiefly with your brother, Mr. Wilson, and Mr. Hines?—A. Yes.

Q. Mr. Hines is about the office more or less?—A. Yes.

Q. And you are in the same position. Do you know where he is?—A. No, I did not know he was away, I did not know he was going away.

Q. Have you got any contracts on just now?—A. Not many just now; it is very slack just now.

Q. Then, there is not any purpose perhaps to be served by taking up the time of Mr. Longard. That will do. Mr. Longard. We will send for you if we want you again.

G. A. WOOTEN, *recalled*.

*By Mr. Watson:*

Q. Have you got the books there now, Mr. Wooten?—A. Yes, sir. (Produces books).

Q. What is that book?—A. A ledger.

Q. For what year?—A. 1904 I think.

Q. Just let us have the books. What are those books?—A. Day-book and ledger.

Q. You produce the day book and the ledger, and what is this?—A. The index.

Q. Let us have the cash-book and the time-book?—A. There are the cheque-books.

Q. Those are the stubs of the cheques. Let us have the time-book?—A. (Produces). This is my new ledger. I did not think you would want to see this.

Q. The new ledger?—A. Yes. I am using all the time in the office.

Q. What other books have you got?—A. That is all.

Mr. WATSON.—I will have to ask to postpone this witness's examination, my lord, until about half past three this afternoon. We have not had these books before. Then Mr. Wooten you need not stay now, but come in again this afternoon at about half past three o'clock.

JAMES LOVETT, sworn.

*By Mr. Perron:*

Q. Mr. Lovett, what is your occupation, sir?—A. Well, my occupation is labourer, sir.

Q. Where do you work?—A. In the dockyard, sir.

Q. For how long have you been employed there?—A. In the dockyard in its present situation?

Q. Yes.—A. Since February 14, 1905.

Q. 1906. Were you in the employment of the Department of Marine and Fisheries before?—A. Yes, sir, previously at Dartmouth.

Q. Where were you?—A. In the yard, sir.

Q. Working in the same capacity as labourer?—A. Pretty much, sir.

Q. What do you mean by pretty much?—A. Well, I got 25 cents a day more there than here.

Q. Would that change make your work easier?—A. No; it would increase it.

Q. Now, you say you have been employed in the dockyard ever since January last?—A. Yes, sir.

Q. What is our salary?—A. One hundred and fifty cents per day.

Q. I think you had better say a dollar and a half?—A. A dollar and a half, if you wish it.

Q. Per day?—A. Per day I work, and the day I don't work I lose it.

Q. Who is your boss, under whom are you working?—A. Well, that is rather hard to determine as to who is the boss, but, as I believe, I have to take my orders from one John Baker.

Q. As you believe?—A. As I believe.

Q. One John Baker?—A. Yes, sir.

Q. Who is this John Baker?—A. He is acting stevedore.

Q. Acting stevedore. And what is he in relation to Mr. Macnamara, is he under Mr. Macnamara or jointly with him, or what?—A. So far as I believe him to be a subordinate.

Q. Assistant?—A. No, sir, a subordinate; that is, he is under Mr. Macnamara.

Q. Now, what work are you performing out there?—A. I am looking after the gas lanterns, 200 millemetre, 300, 375, 500.

Q. Who is working with you?—A. One Frederick Havill.

Q. Are you the only two in this department, this branch?—A. Just the two in the shop working.

Q. And according to what you believe to be right, Baker would be your chief?—A. My boss, yes, sir.

Q. Your boss?—A. Yes, sir.

Q. But you are not sure of that?—A. Well, that is as far as I know. I have to take my orders from Mr. Baker.

Q. But you told me as far as you could believe?—A. Yes.

Q. You do not seem to be sure from whom you have to take orders. Now, what does it mean?—A. I mean to say if Mr. Baker was to come after me or send after me I would have to respond.

Q. But is he the one who generally sends after you or comes after you?—A. Well, in that capacity he is. The last he came after me I think it was, I don't know the date, but he came in person and authorized me to work with another man other than the work I was doing, which only lasted a short space of time, then I resumed at my old work again.

Q. Now, in what part of the dock are you working?—A. What they call the torpedo rooms.

Q. Many employees working around you there?—A. No, sir, very scarcely.

Q. Very few?—A. Yes.

Q. How many, about?—A. They may be going around cleaning the yard, three in number.

Q. How far from the store is this torpedo room?—A. Well, it is situated about the centre of the yard.

Q. And the stores are far off?—A. Yes, the stores are to the south extreme, and this is centered to the north.

Q. Do you happen to know who is in charge of the stores department in this dock yard?—A. Well, I believe that Mr. MacNamara, the store-keeper, would be in charge of the stores.

Q. Mr. MacNamara has the title of store-keeper?—A. Has the title of store-keeper.

Q. How many men are working with him in the stores, do you know?—A. That is in the store in itself?

Q. Yes; as helping him?—A. There would be Mr. Russell.

Q. Russell. What is his occupation, in what capacity is he working there?—A. Time-keeper I presume.

Q. And also helping Mr. MacNamara?—A. And also helping Mr. MacNamara.

Q. Do you mean to tell me that Mr. MacNamara outside of being the store-keeper is also the general time-keeper or foreman of the men employed in the dock yard?—A. No; I recognize Mr. MacNamara as store-keeper.

Q. Only?—A. Only as store-keeper.

Q. He would not have anything to do, according to you, with the men employed in the dock yard?—A. Oh yes. I suppose that would come about in the nature of the work.

Q. He would therefore be the foreman of the yard?—A. Yes, sir.

Q. And Mr. Russell, you say?—A. Would be time-keeper.

Q. Under Mr. MacNamara?—A. Under Mr. MacNamara.

Q. Who is there besides?—A. Harry Borgyle.

Q. How do you spell his name?—A. B-o-r-g-y-l-e.

Q. What is he doing?—A. As far as my knowledge leads me, he would be storeman.

Q. Storeman.—A. Storeman or packer.

Q. He is employed solely in the store, he does not work outside?—A. Not as far as I know.

Q. Whenever you have seen him there he was in charge of the store as storeman and packer?—A. Yes, sir.

Q. He would have to be around and see the goods are there and not stolen or taken away?—A. Yes, sir.

Q. That would be his chief occupation?—A. That would be his chief occupation.

Q. Now, is there anybody else employed in this store?—A. Well, you do not speak of to-day?

Q. No.—A. One. W. Merlin.

Q. He was dismissed some time ago?—A. Yes.

Q. What was Merlin's occupation there, what was he doing?—A. Well, I never had any knowledge as to what—in fact I never looked at the pay sheet to see what he signed himself.

Q. No. But what did you see him doing around there? You saw him, what was he doing?—A. Well, it is so very rare I have been in the store I cannot say I have seen him at any variety of work. In the case of being in the store getting 500 millemetre lamps he would assist in getting or procuring same.

Q. He appeared to you, if I understand you well, to be helping in the store?—A. Yes, sir, a helping hand.

Q. That is what he would be, helping Borgyle, Russell and MacNamara?—A. Yes, sir.

Q. He would form part of the crew or staff in the store?—A. Yes, sir.

Q. That would strike you that way?—A. Yes, sir.

Q. Now, outside of these men you have just mentioned to me would there be anybody else in this store?—A. Not that I know of in the store.

Q. Not in the store?—A. No, sir.

Q. Now, I presume that in the yard properly speaking a good many laborers would be employed?—A. A considerable number.

Q. Am I right when I say there is a carpenter shop?—A. Yes, sir.

Q. A carpenter shop?—A. A carpenter shop.

Q. In charge of whom who is the boss, the boss carpenter?—A. One, Mr. Wolff.

Q. Do you know his first name?—A. I think it is Mr. George Wolff.

Q. Has he got an assistant?—A. I beg your pardon.

Q. Has he got somebody else under him?—A. Yes. There are times when he is lone and there is times he has three or four working under him.

Q. Can you give me the names of those men who are generally working under him in the shop?—A. At present I could not say outside of one.

Q. Who is he?—A. One, Mr. Seymour.

Q. Seymour?—A. Yes, Moses Seymour working directly under Mr. Wolff. There may be others, I don't know.

Q. Do I understand you to say that Seymour is there most of the time or pretty nearly always?—A. Well, according to the work.

Q. Well, what other shops have you got in the yard?—A. Boat shops.

Q. In charge of whom?—A. Mr. Samuel Case.

Q. Are there many men employed in this shop?—A. Numbering at present bout six.

Q. Can you give me their names?—A. One James Crooks, one George McFarlane, one Ernest Geyser, one Neil McFarlane.

Q. Neil McFarlane?—A. It is Neil McFarlane and George Withers.

Q. How long have they been working there, a considerable time?—A. Yes, that is this time.

Q. Any other shop but this one?—A. Well, there is a blacksmith shop.

Q. And who is in charge of the blacksmith shop?—A. One, Mr. McDonald.

Q. What is his first name, do you know?—A. No.

Q. And who are the men working under him if you do know?—A. Mr. McDonald the blacksmith, he has one Thomas Downey, and Mr. Thomas DeYoung, and one William Gause, helper.

Q. Is that all?—A. A Boilermaker looking after the boilers and running the fan engine in the blacksmith's shop.

Q. Who is he?—A. One Patrick Baldwin.

Q. And is that all?—A. Five in number, sir.

Q. Any other shop?—A. Machine shop.

Q. Let us take them all. The machine shop is in charge of whom?—A. I can't determine that question sir.

Q. Well, who have you seen working there?—A. One Michael O'Malley.

Q. Did he seem to be the boss, did he appear to you as being in charge?—A. That I can't determine.

Q. Well, what do you think yourself?—A. Well, there is another department in that machine shop, which is the electric light department.

Q. Let us take this department first?—A. I would not like to determine between the two who is boss.

Q. What?—A. O'Malley and McFee.

Q. Do they appear to be both bosses?—A. I wouldn't like to determine.

Q. Do they appear to be on the same footing?—A. One may get more money than the other.

Q. I am talking of the one that seems to be responsible and in charge, not of the one who is getting more money?—A. McFee locks up.

Q. That would indicate he is in charge?—A. Yes; he is responsible for the store.

Q. Now, any other shop?—A. No other shop.

Q. That is all?—A. The electric light shop, machine shop, blacksmith shop, boat shop.

Q. And outside of that a great number of men are employed as labourers?—A. Yes.

Q. Amounting to?—A. We had about 70 there. That is under the maximum strength.

Q. Under what?—A. The maximum strength. About 70.

Q. That is the largest?—A. About the largest I know of.

Q. Now, Mr. Lovett, you know that a chain-block belonging to the department was taken out of the yard last winter?—A. No sir, I don't know that a chain-block belonging to the department was taken out of the yard last winter.

Q. Did you know that a chain-block belonging to the department was in the yard last winter?—A. Not as far as seeing it about that I know, sir.

Q. Did you hear such a chain-block was in the yard?—A. I presume I heard a rumor.

Q. Did you hear?—A. Yes.

Q. From whom did you hear that this chain-block was in the yard?—A. From my partner I presume, Mr. Havill, and—

Q. And from whom besides?—A. I think I heard Mr. Ryan.

Q. Which Ryan, what is his name?—A. Mr. Peter Ryan.

Q. You have not mentioned him so far?—A. No.

Q. What is he doing?—A. He is helping the mason.

Q. What did he tell you about this chain-block?—A. Where?

Q. What did he tell you, what did your partner, as you call him, tell you?—A.

Well, he said the fixtures were there for it and that the block was not there and that it should be there.

Q. Therefore that the block had been stolen?—A. Had been taken away as far as his knowledge.

Q. Taken away and stolen?—A. I could not say that.

Q. What did Mr. Peter Ryan tell you?—A. I believe that he told me that he knew where it was.

Q. That he knew where it was?—A. Yes.

Q. And is that all that he told you?—A. That is all.

Q. Did he tell you where it was?—A. No sir.

Q. Did he tell you how it happened that this block went away from the yard?—A. No sir.

Q. How did he come to tell you that he knew where it was?—A. Well, Mr. Havill happened to mention it.

Q. What did Mr. Havill mention, what did he say?—A. He was—

Q. Let us have his words or the substance of what he said?—A. He asked what the chain-blocks was that was overhead.

Q. Who was there when he asked for it?—A. Only three of us.

Q. You, Ryan and Havill?—A. Yes.

Q. And then?—A. Ryan said he knew where they went.

Q. And?—A. I don't know any more.

Q. What did Havill say?—A. Very good.

Q. He said 'very good'?—A. Yes.

Q. Now when was that, please, Mr. Lovett?—A. You have asked me too much now sir, I cannot determine the date.

Q. You know it was last winter?—A. Well no, I would not say it was last winter.

Q. Last spring?—A. Nor last spring. There is one thing I will say, that they were not in that shop when we went into it.

Q. That the block was not in that shop when you went into it?—A. Yes.

Q. And you went into the shop in the month of January?—A. Not in that shop.

Q. What was the value of that chain-block?—A. I would have no knowledge of the value.

Q. You have a fair idea?—A. No sir, I could not determine the value of the block.

Q. \$300?—A. I could not determine the value of the block.

Q. About approximately?—A. I never purchased one, I never had any individual use for one.

Q. Surely you know about what is the value of this block?—A. No sir, I do not.

*By Hon. Mr. Cassels:*

Q. What is the size of it?—A. I don't know, your lordship, what its capacity was, whether one ton, three tons or up to seven tons.

*By Mr. Perron:*

Q. What would be the value of a chain-block of the capacity of one ton?—A. I don't know.

*By Hon. Mr. Cassels:*

Q. Can you give any approximate idea?—A. No, sir.

Q. Would it run up into the hundreds of dollars?—A. No, sir, I don't think so expensive as that.

*By Mr. Perron:*

Q. How many hundreds, \$200, \$300, \$400?—A. No. I think, if I think right, that a one ton western purchase would be not more than \$10, why it would be something of good order.

Q. But you do not know the capacity of that chain-block at all?—A. I do not, sir.

Q. Now, after this conversation between you, Ryan and Havill was there any further question about that chain-block?—A. Not that I know of.

Q. Did it come back?—A. No, sir.

Q. It has never come back since?—A. Not in its respective place.

Q. If it had come back you would have seen it?—A. Sure, sir.

Q. So you are quite positive this chain-block was never returned?—A. Never returned.

Q. Do you know if Havill asked for it after this conversation?—A. Well, I don't know that he asked for it. Mr. Smythe had been up there sometime previous.

Q. Mr. Smythe?—A. Yes.

Q. Who is Mr. Smythe?—A. He is Dominion boiler inspector I believe.

Q. Yes.—A. He enumerated the imperial material and consequently he looked overhead and the purchase was not there such as described on the sheet.

Q. And?—A. He asked no questions, and I presume he got no information.

Q. If he had asked any questions he would have got information I presume?—A. I don't know so much about that.

Q. You have no doubt about that.

Hon. Mr. CASSELS.—He says he does not know about that.

WITNESS.—I beg your pardon your lordship.

*By Hon. Mr. Cassels:*

Q. I understood your answer was you did not know about that?—A. Did I say I did not know about that? I said if he asked—

Q. Let the reporter read the witness's answer.

(Reporter reads answer:—'I don't know so much about that.'

Q. Mr. Perron put it in a different way. That is why I called attention to it.

*By Mr. Perron:*

Q. That is to say, you do not know whether or not you would have given him information?—A. I could not.

Q. But Havill?—A. I cannot answer for Mr. Havill.

Q. Or Ryan?—A. Or Mr. Ryan.

Q. Now, in the course of the winter did you need this chain-block, did you require it for something?—A. No, sir.

Q. Was there any further conversation between you and Havill or anybody else about a chain-block that I remember of.

Q. Never since that day?—A. No, sir.

Q. Never?—A. Not that I remember right.

Q. Not that you remember?—A. No.

Q. Did you discuss on Monday with Ryan and Havill this chain-block?—A. Not about a chain-block that I remember of.

Q. About what?—A. Nothing.

Q. About the other things that had been stolen from the dockyard?—A. Not until we had an audience with you on Monday evening.

Q. And after that audience have you been able to remember what took place about the chain-block?—A. Well, in regard to the question you asked me in that audience I had no reference I believe to the chain-block. You asked—

Q. Let us keep to the chain-block. Have you been able to find out since what has become of the chain-block?—A. No, sir. I made no inquiries and asked for no information concerning it.

Q. Outside of the chain-block what got away from this dockyard?—A. I don't know.

Q. Lots of things?—A. I don't know sir what went out of the dockyard.

Q. Lots of things went out, as you know?—A. I don't know what went out of the dockyard, sir.

Q. That is not my question at all. Do you know whether some things went out of the dockyard outside of this chain-block?—A. No.

Q. Did you hear that some things went out of the dockyard outside of this chain block?—A. No.

Q. You never heard it mentioned?—A. No.

Q. Do you swear to that, that you never heard it mentioned?—A. Mentioned the article, sir?

Q. No I am not talking to you about that at all. I am asking you whether or not you have heard it mentioned that articles had been taken out of this dockyard —A. Am I to swear to anything that would be hearsay or would be rumor only?

Q. Yes, sir, you are going to tell us whether you heard it or not.

Hon. Mr. CASSELS.—If you are not too sleepy you might answer the question.

WITNESS.—It places me in rather a curious position. I am indoors most of the day, and anything that would be conversation between the associate with the work and myself would it be necessary—

Hon. Mr. CASSELS.—You see, Mr. Lovett, up to the present time you have given your evidence in a very satisfactory way. You cannot do harm to anybody if somebody else is not guilty of wrong doing?—A. But then that learned gentleman will turn round on me and want me to define such an article.

Mr. PERRON.—We will wait until it comes.

Hon. Mr. CASSELS.—You will be treated very nicely so long as you give your evidence nicely.

*By Mr. Perron:*

Q. What did you hear about things going out of the yard?—A. What did I hear about things going out of the yard? That is a pretty serious question.

Q. A pretty serious question, I should say so. A. I don't know rightly.

Q. Oh, Mr. Lovett, please?—A. Of course, the Marine Department we know is a Department that necessitates a lot of transactions, business, such as chain going out around, stock going out around, buoys going out around—

Hon. Mr. CASSELS.—You are not asked about these.

Mr. PERRON.—We do not want any theory as to the business of the Department. We want to hear about things being taken out of the yard.

Hon. Mr. CASSELS.—Being taken improperly, not in the ordinary course.

*By Mr. Perron:*

Q. Of course. A. I cannot answer that question, your lordship.

Q. You won't?—A. I cannot do it truthfully.

Q. How is that, what do you mean by that answer? It is what you heard—I am not asking you for anything else—that is all?—A. What I have heard about things being taken out of the dockyard? I cannot answer that question your lordship.

Q. Please tell me, Mr. Lovett, what you have heard about things being taken away from the dockyard improperly. A. Improperly?

Q. Yes. Tell me what you have heard—that is all I want to know—what you have heard? There is no harm in this. A. Well, I can't, as I said before, I can't answer that question in justice to myself.

Hon. Mr. CASSELS.—Mr. Lovett, you are not asked about the truth of what you heard at all. You are here to help us in getting information in any way we can get it so that those who may give evidence should be here. You are not asked about the truth of what you have heard, about things being taken out of the dock yard in any

improper manner, you are not committing anybody or yourself. You are not doing justice to yourself unless you reply. Just tell what you have heard.

Mr. PERRON.—That is all I want to know.

Hon. Mr. CASSELS.—Mr. Perron is not asking you to pledge yourself to the truth of what you heard.

*By Mr. Perron:*

Q. Certainly not. I just want to hear what you heard?—A. Improperly taking things out of the yard, how would that apply?

Q. Never mind how it would apply. Just please tell me what you have heard in a very simple way?—A. I cannot say that I have heard anything, Mr. Perron.

Q. Well, you told me you had heard something before, you told me you heard lots of things before. I want to know what you heard?—A. When did I tell you?

Q. A few minutes ago, a few seconds.

*By Hon. Mr. Cassels:*

Q. Not quite that way. You left the understanding that you had heard things you did not like to speak of in justice to yourself. If you have heard you had better tell us.—A. Well, I don't know, your lordship, I am sure. Mr. Perron there seems to want me to get after somebody through rumor. I suppose I have heard hundreds of things, but as regards to saying that these people took these things out of the yard—

Mr. PERRON.—I am not asking you that at all.

Hon. Mr. CASSELS.—That is what I am trying to point out to you, witness. You are not asked to say they took them out, nor are you pledging your oath to the truth of what you have heard. We want just a statement of what you have heard. That does not commit you and does not commit the others.—A. Well, I may say I have heard of a man taking a stone out of the yard.

*By Mr. Perron:*

Q. Yes?—A. Improperly.

Q. Yes?—A. I ain't, as his lordship says, trusting as to the truth of it.

Q. Certainly not. I simply want to know what you have heard, nothing more than that. Well, what next?—A. I don't know of anything else, sir.

Q. Have you not?—A. I have not.

Q. Oh yes?—A. I don't know of anything.

Q. A stone, and what besides?—A. I don't know of anything else.

Q. You do not know of anything else?—A. No.

Q. Try and think. Don't you know of anything else that you have heard? Always I am not taking whether it is true or not, I am merely asking you whether you have heard anything more?—A. No, nothing else, Mr. Perron.

Q. Well, who was supposed to have taken out this stone improperly?—A. Mr. Baker, I presume.

Q. Mr. Baker, John Baker?

Hon Mr. CASSELS.—What is this stone?

*By Mr. Perron:*

Q. What stone was it?—A. A stone that had been a door step.

Q. That had been a door step. Where was it, where did you see that stone?—A. I didn't see the stone.

Q. Do you know where it was?—A. No sir, I don't.

Q. Who told you about this?—A. Oh, I don't know who told me about it, it was only rumor.

Q. But do you remember who told you about it?—A. No, I don't.

Q. You don't remember?—A. No.

Q. Now, those stores have quite a large stock?—A. I don't know anything about that.

Q. Have you been in the stores?—A. I have on several occasions.

Q. On several occasions. Well, surely you have seen what there was in there?—  
A. Not necessary to see on the errand I was after.

Q. But you have seen there was a whole lot of things in those stores?—A. General merchandise I suppose in very large quantities might be stored.

Q. What have you seen?—A. Iron, nails.

Q. Brooms, brushes?—A. Yes.

Q. Do you want to help me?—A. Buckets, scuttles. He is trying to get after me, your lordship.

Hon. Mr. CASSELS.—He is a very frank witness.

Mr. PERRON.—No, I am not, I am not trying to get after you at all. Because his lordship says you are a frank witness he does not mean that I say the contrary.

A. No.

Q. Did you see anything else there?—A. There may have been boxes.

Q. Boxes of what?—A. Gracious knows, I couldn't see through the enclosing case. If I went in there after a lamp the articles I was after was my attention. Of course there may be other articles there I paid no attention to.

Q. Well now, Mr. Lovitt, have you seen some of those goods go out of the sheds of the dockyard?—A. No, sir.

Q. Through the gates there?—A. No sir.

Q. Coming out into the city?—A. No sir.

Q. Have you heard that some of those goods have been taken away from the stores improperly taken away from the stores?—A. No sir.

Q. Never heard of that?—A. No sir.

Q. Never in your life?—A. No.

Q. Are you sure of that?—A. That is as you put the question, never in my life have I heard of stores being taken improperly away from the store, not so far as I know.

Q. You do not remember?—A. I don't remember being told or even heard.

Q. Or even heard. What did you tell me that Mr. Peter Ryan is doing there?—

A. Helping the mason.

Harry C. STEVENS, recalled.

By Mr. Watson:

Q. Mr. Stevens, the account of Howell & Company, with the department during the three fiscal years referred to is something over \$28,000 I see, \$28,000?—A. Yes sir.

Q. That was chiefly in respect of what?—A. Machinery—

Q. Eh?—A. Repairs to government steamers most.

Q. Repairs to government steamers—to what steamers?—A. The *Lady Laurier* are much the largest.

Q. And?—A. The *Aberdeen*.

Q. The *Lady Laurier* and the *Aberdeen*?—A. Those are two of the principal ones.

Q. And what kind of work was done by way of repairs?—A. Overhauling, repairing machinery.

Q. Overhauling and repairing machinery, I see. I see that the repairs by your firm to the *Lady Laurier* amounted to \$18,570??—A. That is correct, sir.

Q. \$18,570. Now have you any personal knowledge what was done for that \$18,000, what kind of repairs were made?—A. The tail shafts were renewed, the sleeves bored out and quite an engineering job, and other work in the engine room.

Q. Quite an engineering job, is that right?—A. Yes sir.

Q. Do you employ engineers?—A. Machinists.

Q. Who was the foreman?—A. Well, Wallace, Mr. Charles Wallace.

Q. Mr. Charles Wallace is the foreman. And is he an engineer?—A. He is a practical machinist of thirty years' experience.

Q. Of thirty years' experience?—A. Just about thirty.

Q. I see in looking over the accounts that are rendered by the firm to the department that the details are given here, and apparently prices were not fixed beforehand, there is no reference to a contract?—A. No, no contract.

Q. No contract, I see. So that the prices were not fixed before the work was performed?—A. No sir.

Q. That was left to the firm to fix the prices?—A. Left to me, sir.

Q. That was left to you as what, book-keeper or manager?—A. Manager and book-keeper.

Q. Manager and book-keeper to fix the prices, I see. And no prices fixed beforehand?—A. No.

Q. Now then, I understand that in fixing the prices, you added on profits in these accounts to the amount of about 50 per cent?—A. Added on to that amount?

Q. Added on to the cost about 50 per cent profits, is that about right?—A. That may be a little high.

Q. That may be a little high?—A. I would not like to swear it is not right.

Q. You would not like to swear it is not too high, I see. Prices were left to you by the department, were they?—A. Well, after the bills went in, as I didn't hear from them, I suppose.

Q. I see, after the bills went in you did not hear any objections to the prices, you got paid?—A. Yes, sir.

Q. No objections were ever made to those prices?—A. I don't think it was.

Q. No, no objections were ever made to you about the prices. Mr. Parsons just left it to you?—A. I never had any dealing with prices except going up and kicking about not getting more work.

Q. I see, kicking about not getting more work. You seem to have got a good lot. Well, these were pretty good profits. This was the largest account, I suppose, you had in the business?—A. That is the largest account.

Q. You had in the business?—A. Since we have been doing government work, yes, sir.

Q. Yes, the largest account that you had. Were you doing other government work—I suppose you work for other departments, but we have got nothing to do with that?—A. That is our principal one.

Q. So that this was a very profitable account, apparently. Well now, how does it come? How can you account for it, before his lordship, that these large profits were put on and that still these accounts were all certified to in the department, and by Mr. Parsons, that the charges are fair and just, can you account for that at all?—A. Well—

Q. They left it to you, I suppose?—A. The prices are about the port charges.

Q. About the port charges. Oh, I see. They are about the same kind of charges paid in the port by others?—A. What we call port charges, what we charge for the marine work.

Q. I see, what you charge for the marine work. And these are about how much, 30 to 40 per cent more than you charge other companies, other customers, that is the ordinary retail customers?—A. Oh no.

Q. How much more than the ordinary retail customers, 30 per cent?—A. Maybe 10 per cent.

Q. Just try and think.—A. I don't quite catch the question.

Q. Say you have a retail customer for a smaller sum, you would not charge him so much. I mean to say the profits here are about 30 per cent more, are they not, than to the ordinary retail customer?—A. No, sir.

Q. Eh?—A. No, sir.

Q. How much more?—A. Not less than 10 per cent perhaps to a small ordinary customer.

Q. Not less than 10 per cent more, I see. Will you not say it was more than that, will you undertake to say it was not at least twenty-five per cent more than to the ordinary retail customer?—A. Yes.

Q. Under oath?—A. Under oath.

Q. You say it was not that much?—A. To the best of my belief and knowledge, not more than twenty-five per cent.

Q. Not more than 25 per cent?—A. It is under twenty-five.

Q. To the best of your belief and knowledge it is not 25 per cent. Are you able to say how much under, under oath now?—A. No.

Q. No, you are not able to say how much under 25 per cent it was in excess of ordinary retail prices, I see. Then can you say whether all this work was necessary to be done or not have you any idea of that?—A. Oh yes all the work was done.

Q. How do you know?—A. Because when we go to the work there it has to be done.

Q. But you do not know whether the work was necessary to be done on the steamship, you do not know do you about that?—A. Well—

Q. You were not up there yourself?—A. No, mostly the foreman.

Q. Then how did you set about to get orders?—A. We asked to have our name on the patronage list.

Q. But that was in 1896, I suppose?—A. It was there.

Q. It was there before?—A. From the time the government changed.

Q. Yes, from 1896. It remained there. Then apart from that, how did you set about getting these orders, because these were large orders?—A. Well, we had no competition, I believe. We are the only engineering firm of our class of work on the list.

Q. No competition?—A. And the orders came because—

Q. Did you have to apply to anyone else to get the order, special order?—A. No. we sometimes asked Mr. Roche to recommend us.

Q. I see, sometimes you would ask the member in respect to special orders, is that right?—A. Yes, we thought some jobs might be coming on.

Q. I see. You thought it might be coming on. You would get a little bird to come along your way I suppose?—A. No.

Q. You would set about it that way, try to get the orders, try to get them recommended to you; is that the way you would get the orders, do you know?—A. I think most of the orders came direct from the office.

Q. I see, direct from the Marine office. That is Mr. Parsons' office?—A. Yes.

Q. Whom did you meet there for the most part?—A. At Mr. Parsons' office?

Q. Yes.—A. I very seldom met anybody. I would just go in and lay a bill down, and ask them to—

His LORDSHIP.—We will adjourn now to 2.15 p.m.

Mr. WATSON.—Yes, my lord.

(Adjourned at 1 p.m. to 2.15 p.m.)

C. THOMPSON SCHMIDT, recalled.

Mr. WATSON.—Will your lordship allow us to intervene in the examination of the last witness with this witness?

Hon. Mr. CASSELS.—Yes.

*By Mr. Watson:*

Q. You are already sworn?—A. Yes, sir.

Q. Before his lordship?

Hon. Mr. CASSELS.—Sworn in Halifax.

Mr. WATSON.—No, my lord. Perhaps he had better be sworn.

WITNESS, sworn.

Mr. WATSON.—If your lordship pleases, the same reservation of his rights may be made, I assume, that is that the evidence given here by the witness cannot afterwards be used against him in any collateral proceedings.

Hon. Mr. CASSELS.—Yes, he is entitled to that.

Mr. WATSON.—You are entitled to that.

Q. You claim that, I suppose?—A. Yes.

Q. That is your writing?—A. I wrote that.

Q. You wrote this letter?—A. Yes.

Q. This letter is dated the 17th November, 1908, and is directed from Halifax. What is that, Rockingham Station?—A. Yes, sir.

Q. Is that there?—A. That is where I live. Four miles from Halifax.

Q. This letter reads as follows: ‘My dear McDonald’—that was to Mr. McDonald of the Iron Works at St. John?—A. Yes, sir, the manager of the Iron Works.

Q. It says, ‘As you will have seen from the papers I have come through a very hot fire in Quebec, but I trust you know me well enough to believe me when I state that the major portion is false. I am herewith enclosing a ninety day note for \$150 which I trust will enable you to state that there is nothing between us. I am so upset and confused that it is hard to formulate a letter. Trusting to hear from you at the above address at an early date’—you sign yourself C. T. Schmidt. You had previously received from him two sums one of \$50 and one of \$100?—Yes, sir.

Q. Those payments had been made a considerable time before November of this year?—A. Yes, sir.

Q. And in this letter you say you are “enclosing a ninety day note for \$150, which I trust will enable you to state that there is nothing between us.” A. Yes, sir.

Q. I see. A. On receipt of that note—

Q. Just wait, please. On receipt of that note, that would repay the amount you had previously received from him?—A. Yes, sir.

Q. And the object of this was, I assume, as stated here, so that Mr. McDonald might be able to state that there was nothing between you and him?—A. Yes, sir.

Q. In that way that the transaction might be covered up?—A. No, sir, it was a private transaction. I did not think that it had anything to do with the department at all, absolutely nothing to do with it.

Q. During the period when you received the money there, you were getting work done at his shop and factory, you were superintending work?—A. Well.

Q. We have had that in evidence?—A. Of course there has been work done, but I think it is two years since I saw McDonald, and I am sorry now I did not keep a note I had from him a year ago, saying “don’t hurry and don’t worry.”

Q. At all events you were getting work done more or less previous to that at the Iron Works?—A. Yes, sir.

Q. And it was in that way, through having work done for the department that you came into communication with him?—A. Yes, sir.

Q. And the work that was done by him, or at his works, had to be passed or certified by you?—A. In some cases.

Q. Yes, in some cases?—I might state I often have to certify to work I never see.

Q. Work you never see?—A. No, sir.

Q. You certified to work you did not know anything about?—A. I find out by letters; I never see the actual work done.

Q. Yet you certify it is correctly done, properly done, do you?—A. Yes, sir, if I am satisfied and know the man I am dealing with, I have to take his word, the engineer, of the steamers.

Q. Then you make your personal certificate relying on information you receive from someone else?—A. Yes, sir, I have to do that to comply with the requirements of the department.

Q. Yes. And it is known at the department at Ottawa that your certificates are sometimes not based on personal knowledge?—A. Well, I presume so sir. I cannot be everywhere at once. There is sometimes work going on at various places.

Q. No. But have you ever called the attention of any official at Ottawa to the circumstances that although you have certified to the work that you have no personal knowledge of it; has that ever been done?—A. Yes, sir, I think I can prove I got two or three letters to that effect.

Q. Written to whom?—A. The Deputy Minister. I think so, sir.

Q. It would be important if you could look up those letters?—A. I have been looking up some.

Q. Have you found those letters?—No, but I know several times to protect myself I have to say I have no personal knowledge, but the charges are fair and just.

Q. And your certificate is very broad, it certifies to the correctness of the work, and the necessity of it, and to the prices I think?—A. Well, yes. Can I explain a moment how these bills come to our hands?

Q. Yes.—A. For instance, work done in Quebec, New Brunswick, or Prince Edward Island, work is done there, and very often these bills—I am going there, or any other inspector, to put the work in hand, the work is carried out, and the bill is certified as a rule, and, until nine months ago, invariably by the captain, the chief engineer, and in 75 per cent of the cases again by the agent before it was forwarded to our office for final signature.

Q. I see. Then acting upon that you put upon those certificates your signature, you put your certificate upon them?—A. Yes sir.

Q. Without personal knowledge?—A. Yes sir. If anything strikes me in the bill, I may hold it, and write and inquire about it.

Q. Yes. Then when you were in Quebec you will recollect appearing there at your own request?—A. Yes sir.

Q. Before his lordship at the sittings you stated that there was an almost universal custom that men in your position should receive payments, gratuities, or whatever they may be called, from the people who were furnishing material or work for the department which required to be certified by you?—A. I made some statement that it was a general practice that superintending engineers were given presents.

Q. A general practice that payments were made to them?—A. Yes sir, not only in Canada, but all over the world.

Q. Yes, not only in Canada, but all over the world. And that has been a practice with you during the time you have been here, more or less?—A. Well, once or twice I have received presents.

Q. Yes, more or less, I see. And you will recollect that the evidence given by the bookkeeper of Mr. Drolet was to the effect—that is Mr. Audibert—A. Yes.

Q. That you had been paid by him or his firm the sum of \$1,770. You recollect that evidence was given?—A. Somewhere about that.

Q. My recollection is you said then you thought the amount was not quite as much as \$1,770?—A. No sir.

Q. Not quite as much as that. I see. A good deal of work had been done by Mr. Drolet's firm?—A. Yes.

Q. Then Mr. Cote also spoke, according to my recollection, of some payment to you?—A. No sir.

Q. Do you recollect?—A. No sir, I don't think so.

Q. You don't think he did.—A. No sir. My knowledge is only based on what I read in the newspapers, but I have no knowledge of dealings with Cote at all.

Q. You have no knowledge of hearing from him?—A. No sir.

Q. Now, you had considerable work done at Charlottetown?—A. Yes sir.

Q. You were there?—A. Yes sir.

Q. That was done by the firm of Bruce Stewart & Company?—A. Yes sir.

Q. And the information we have is that the firm paid you a sum of \$150?—A.  
No sir.

Q. We will just have to telegraph then for one of them to be here to-morrow or next day. Then how much did you receive from any member of that firm?—A. I could not tell you sir.

Q. You could not tell how much, I see.—A. I have borrowed some money from one of them.

Q. Yes, borrowed some money, and did not repay it?—A. Well—

Q. You have not repaid it?—A. I have not, no sir

Q. And how much was it you got, about?—A. One hundred dollars

Q. \$100?—A. Yes sir.

Q. Not \$150?—A. No sir.

Q. When did you get that?—A. I could not tell you sir, I could not give you the date now.

Q. You could not tell?—A. No.

Q. About what time, this year?—A. No, sir. I might tell you—

Q. Last year?—A. It would be last year, yes. If you will allow me to tell you, I came into the—

Q. Wait until I ask you one or two other questions, then you can make just as full an explanation as you may desire. From which member of the firm did you get \$100?—A. Mr. McNair. He told me whenever I was pressed he would be glad to help me. I took advantage.

Q. Did he send you money?—A. Yes sir.

Q. \$100?—A. Yes.

Q. By cheque or telegraph?—A. Telegraph.

Q. Wired you the money. That is about the same way you got the money from Mr. McDonald?—A. Yes.

Q. Mr. McDonald of New Brunswick?—A. Yes.

Q. You did not give him any receipt for it?—A. No, I made an appointment next time.

Q. You have not paid anything on account?—A. No, sir.

Q. It just stands in that way. And did you certify any accounts for that firm. Bruce, Stewart & Co.?—A. Oh yes.

Q. You certified their account, I see. And their account was a pretty large one was it not?—A. We have several there. The largest account that was ever certified or passed through there was when I came in the service first, when the *Stanley* was repaired before she went across. I could not tell you how much.

Q. How much was done there for the steamer *Lady Laurier*?—A. Nothing.

Q. What was done there this last year before you got the money?—A. Where, Pictou?

Q. Charlottetown?—A. I think the *Minto* was repaired at Pictou last.

Q. Oh yes, the *Minto*. And it was the *Minto* that was at Charlottetown?—A. I could not tell you exactly because the steamers were repaired at Charlottetown, and some at Pictou, and I think if my memory serves me right, until this time, for the last two years, there has been a lot of trouble.

Q. A lot of trouble about Charlottetown?—A. There have been complaints made.

Q. What?—A. By the people of the island, that there were boats belonging to the island that should be repaired over there.

Q. I see. Was that Mr. McNairn or McNair?—A. McNair.

Q. He is a partner of the firm, is he?—A. I don't know whether he is or not.

Q. You became acquainted with him in connection with the work that was being done?—A. No. I knew him before I came in contact with the firm.

Q. Where did you know him?—A. I met him in Halifax, somewhere, he was sailing in a steamer.

Q. I see. Then you had to do with him, was it in connection with repairs?—A. Yes.

Q. In that way you got the hundred dollars. And then you got some in Pictou as well. Well now perhaps you will tell instead of my mentioning the figures from Pictou.—A. I never got any presents from the Pictou Foundry Company.

Q. That is Ferguson & Hannen?—A. I never got any present from that firm at all.

Q. Just try and think?—A. I had the same case—I feel it—I got from Mr. Ferguson \$100 under a personal loan.

Q. Oh, I see.—A. These are personal loans.

Q. Why did you not come to it first, please?—A. It is a personal matter.

Q. They are all personal matters.—A. They are indeed.

Q. The same way with Drolet's \$1,770?—A. No, sir, a different matter altogether, sir.

Q. I see. That was directly in connection with business, was it?—A. It was given to me, he told me it was paid out of a fund.

Q. I see, out of a charity fund?—A. I don't know. He told me if I did not get it somebody else would get it.

Q. I suppose if you did not take it he would have to keep the money. Then you got \$100 from Mr. Ferguson, was it?—A. Yes.

Q. When did you get the money from him?—A. Oh, it must be about two years ago.

Q. I see. What steamship did you have there?—A. I don't think there was anything there at the time.

Q. You don't think there was anything there at the time?—A. No.

Q. There had been there a little while before?—A. There may, I am not quite sure, I am not quite certain whether Mr. Ferguson was a member of the firm or not.

Q. We have him here, the firm is mentioned as Ferguson & Hannen?—A. He only came in the firm two years ago. I knew him for many years before that.

Q. It is no doubt about the same time. Was that for the *Minto*?—A. I could not tell.

Q. Did you certify the accounts there too?—A. I have to certify all accounts.

Q. And you have not repaid that?—A. No, sir.

Q. Never been asked to?—A. Yes, sir.

Q. Eh?—A. Yes, sir.

Q. When?—A. The last time I was in Pictou—not the last time—the time before, three or four months ago.

Q. Yes. You were asked to repay it?—A. Yes, sir, Mr. Ferguson said, 'How about that hundred dollars.'

Q. Did he smile the same as you are smiling?—A. Yes, he did.

Q. I see. I suppose about that time he wanted another account certified?—A. No, he did not.

Q. He did not?—A. No, sir.

Q. At all events he did not want you to forget the hundred dollars?—A. No, and it would not be forgotten either.

Q. It would not be forgotten, of course not. So that in one form or another, whether it was borrowing money, or some other form, it was pretty universal?—A. No, I think I got to the end when it was necessary for me to borrow money about a year ago.

Q. Did you?—A. Yes, sir; and you will find I have not borrowed any since then.

Q. Not since a year ago?—A. Yes.

Q. But up to that time, a year ago, it was pretty universal?—A. Yes, sir. Would you like me to explain why?

Q. Yes. The explanation you can give just in a minute. I have it noted you are fully to explain. Let me just get a few statements in, then you can give the fullest explanation you desire. You had considerable work done here by the firm of Ferguson & Cox?—A. Yes, sir.

Q. They did a very considerable amount of work. Will you just tell me in a word how much you got in one way or another by borrowing or otherwise from that firm?—A. I did not get anything from Ferguson & Cox.

Q. No?—A. No, sir.

Q. Whom did you get it from representing their firm?—A. From no one in connection with their firm whatever.

Q. Eh?—A. From no one in connection with their firm whatever.

Q. Did you certify the accounts?—A. Certainly I did when they were right.

Q. When they were right?—A. Yes, sir.

Q. You certified them when they were right. And why did you not get something?—A. Because I had a lot of trouble with the firms in Halifax here. I did not ask for anything. I did not get anything.

Q. Did you ask for anything?—A. No, sir.

Q. You did not ask for anything?—A. No, sir.

Q. Well, in some other cases it was offered to you?—A. In every case. I never asked for anything.

Q. I see. So that you say in every case it was offered to you: that is what you say —A. Yes, sir. I never took—

*By Mr. Watson:*

Hon. Mr. CASSELS.—Except in the case of McDonald.

Q. Except in the case of McDonald?—A. Oh, no. That is entirely personal. What I would be glad to explain—

Q. Yes. Now, then just give me a list of the cases where it was offered to you.—A. I could not tell you that because—

Q. Too numerous to mention?—A. No, they are not, but I could not tell you.

Q. You could not tell?—A. No, sir. I have some figures I gave you in Quebec before I was in the service. I cannot remember.

Q. You cannot remember?—A. No, sir.

Q. You cannot remember how much you got within the last five or six years altogether?—A. Four years.

Q. Just four years in the service?—A. Yes.

Q. And you cannot state how much you got during those four years?—A. No. I told you I think before these are things—

Q. You do not want to remember?—A. You don't remember.

Q. You do not want to remember?—A. No, sir.

Q. You wipe them out of your memory as soon as you can?—A. Yes, sir.

Q. I see. That is so, that they will not be known by any one else or thought of by yourself afterwards?—A. Well, if I thought there was anything wrong in it I would not have taken them.

Q. I see. Is that the reason for not remembering it, because you thought it was right?—A. No, it was not.

Q. Is it the reason for not remembering or wiping out because you thought it might be wrong?—A. No, I simply—

Q. You simply thought it a matter of policy, is that right?—A. Yes.

Hon. Mr. CASSELS.—It might be open to misconstruction.

Mr. WATSON.—Yes, it might be open, as his lordship says, to some misconstruction.

Q. Is that right?—A. I don't quite follow you.

Q. You don't quite follow. Well, I thought it was pretty plain. So that is the position. Now, I wish you would just try and think again about Messrs. Ferguson & Cox, try and refresh your memory. You know you put them all out of your mind, it is hard to recall once they are put out of your mind.—A. I have no recollection of any dealings with Ferguson & Cox, or receiving any money.

*By Hon. Mr. Cassels:*

Q. Or from Mr. Ferguson alone?—A. Or from Mr. Ferguson alone, as far as I can remember.

*By Mr. Watson:*

Q. That is as far as you want to go?—A. That is as far as I can remember.

Q. Your memory may not be quite right, you may be mistaken.—A. I may be, but I don't think so.

Q. You may be mistaken, I thought so. And you might be mistaken although it amounted to say as much as \$500 in a year, still you might be mistaken, you have not kept a record?—A. I—(Witness laughs.)

Q. That's not as much as \$1,770?—A. Supposing you base it on that, that is a much as Ferguson's bill nearly.

Q. \$500, is it, let us see?—A. They had a large amount, the whole of the work.

Q. Ferguson & Cox, we have down here from the department \$40,556. Five per cent on that would only be a couple of thousand dollars?—A. Well, a lot of that work was done before I was in the department.

Q. This is all for the three fiscal years?—A. Well, most of that is hull work. I did not come in contact with Ferguson & Cox except for boiler work.

Q. And what do you think is the amount in respect of boiler work?—A. Probably I should think not much more than \$10,000, I don't think as much as that.

Q. So the fact is now your memory does not carry you very far?—A. I have no recollection.

Q. That is as far as you go?—A. Yes.

Q. You do not want to go any farther than that?—A. No, I have no recollection.

Q. No recollection?—A. No recollection.

Q. Of course, it is pretty hard to recall these things that are once put out of your mind, we have that before?—A. Yes, I have no recollection. If I had I would tell you. I have no desire to cover anything.

Q. Then with regard to the firm of W. W. Howell & Co., is that just the same, that you do not remember it now?—A. I have no knowledge, I never did receive from W. W. Howell & Co., any moneys.

Q. You never did?—A. No.

Q. You are more positive as to that?—A. I am positive as to them.

Q. You are positive as to them, I see. And what makes you so positive as to them, different from the other firms?—A. I don't think they would give me anything if I wanted them to.

Q. I see, you had rather hard lines with them?—A. Well, we have fought pretty often.

Q. You have fought pretty often, oh, I see. Evidently you had it in mind then?—A. No.

Q. But you are pretty positive with regard to Howell & Co.?—A. Yes, sir.

Q. Then I suppose also with the firm of Longard Brothers, that is a matter of not very good memory?—A. I never got a cheque from Longard Brothers.

Q. You are pretty positive there too?—A. Yes, sir.

Q. How do you account for that?—A. Well, it is pretty much the same reason.

Q. Pretty much the same reason, I see. Too stiff, is that right?—A. I was too stiff for them probably, I don't know, or they were too stiff for me.

Q. So that we gather it is those you are not so stiff with you get money from?—A. No.

Q. I thought that would follow?—A. Not at all

Q. At all events those you are pretty stiff with you do not get money from?—A. I wired you to read a letter in St. John about the last business I had with him. I can be friendly with him and do straight business with him.

Q. I should hope so. That letter was read at St. John?—A. I involved him in \$500 or \$600 worth of work.

Q. That is you caused him to lose that?—A. Yes sir.

Q. And is that the reason for asking for the hundred dollars?—A. That did not lessen our friendship.

Q. That did not lessen your friendship, he still stood by you?—A. Yes, sir.

Q. So that with regard to Longard Brothers, you say they were pretty stiff, too stiff with you or you were too stiff with them?—A. No, I don't think that. We have had lots of arguments and rows, and one thing and another.

Q. Yes, arguments and rows. Then what other accounts here have you certified to?—A. Douglas.

Q. Yes, Mr. Douglas. Is that Douglas of Dartmouth?—A. Yes sir.

Q. Now, how much did you borrow from him?—A. Nothing.

Q. Eh?—A. Nothing.

Q. Try and think again?—A. I say nothing sir.

Q. How did you get it, did you get anything?—A. No sir.

Q. A gratuity?—A. No sir.

Q. You got nothing?—A. No.

Q. How does that come?—You ask Mr. Douglas.

Q. Did you hear Mr. Douglas' evidence?—A. No sir, I was not in court when he gave his evidence.

Q. You have read it since?—A. Just from the papers. I don't put much stock in them.

Q. You don't put much stock in the papers?—A. I don't put much stock.

Q. In what you read in the papers in Halifax?—A. No sir.

Q. You ought to come to Toronto?—A. Well, there are pretty good papers there.

Q. Well, I have nothing against the newspapers?—A. I have not either.

Q. Now, why didn't you get something from Douglas?—A. I never asked the man for money. If the man offered I probably would have taken it, but he did not offer it, I did not ask him.

Q. How much do these receipts—I suppose they would in the course of a year perhaps treble your salary, would they?—A. I never kept any stock, the little I received did not amount to anything.

Q. Then what other firm did you certify for here, now just try and think?—A. Oh, Evans of Dartmouth.

Q. Evans of Dartmouth?—A. If I might look at the list—and to Macpherson.

Q. Wait. We will take them separately. Mr. Evans of Dartmouth, yes. How much for him?—A. I never got anything from Mr. Evans since I have been in the service of the Dominion government.

Q. No?—A. No sir.

Q. Not by loans?—A. No way whatever.

Q. Or any other way?—A. No sir.

Q. You did not eh?—A. No sir.

Q. Then you spoke of Mr. Macpherson?—A. Yes.

Q. What Mr. Macpherson is that?—A. Shipbuilder I think.

Q. A shipbuilder. What firm is he of?—A. David Macpherson.

Q. Yes, shipbuilder. What did you have to do with him?—A. Oh, only small things, some doors for a boat one time when Mr. McConkey was away, that was all, and some small accounts from William Robinson, sometimes sent to me when they are for fog alarms.

Q. Now, there are several others I see on the list, and by the papers that you had to do with; is that right —A. I cannot recall them.

Q. You cannot recall them?—A. No. Howell, Longard, Evans, Ferguson & Cox, Macpherson,—I think that is all.

Q. I think there are some others. You are not going out of town —A. No, sir. I have a lot of work in the office.

Q. Yes. Then we will have an opportunity perhaps of hearing you again. I want to see the books before I further examine you.—A. Might I make a statement?

Q. Now you may make any explanation you desire?—A. Well, your lordship, when I came into the Department I was in receipt of a salary of practically \$2,000 a year. The minister promised me that if I came in at \$1,500 that in a few months the salary would be raised to \$2,000.

*By Hon. Mr. Cassels:*

Q. When you say you were in receipt of \$2,000, that was before you came into the Department?—A. Yes; but if I came into the Department at \$1,500 it would be raised to \$2,000.

Q. You mean your salary before you came in was \$2,000?—A. My position was worth \$2,000. He promised it would be raised, and he also promised I should enjoy the privilege of undertaking any outside work in the way of making out specifications and other such work which did not interfere with the work of the Department. The \$500 I never got, my salary has never been increased, and shortly after the privilege of embarking in this, outside work was cut off. These loans I may tell you, as I have already sworn, are personal, and they were to cover up personal expenses, with a great deal of sickness in the house and other such things as that which I found were necessary to make up for the direct loss of \$500 a year salary, and it was for that, and it is only within the last year I have paid back a great many private individuals whom I borrowed from, and in another year all those other debts would be wiped out.

Q. What did you mean by the last part of that letter to Mr. McDonald?—A. I meant he could have immediately cashed the note, or discounted the note, and it was entirely a personal matter then.

Q. It does not read that way. Will you read the last clause?

Mr. WATSON.—“I am herewith enclosing a ninety day note for \$150, which I trust will enable you to state that there is nothing between us.” A. Yes, sir, that was written not as to the firm, but to Mr. McDonald personally.

Hon. Mr. CASSELS.—Yes, but it reads very peculiarly, it looks as a sort of invitation to Mr. McDonald to go into the box and practically perjure himself?—A. No; as regarding his firm.

Q. I am not talking of the firm, I am talking of Mr. McDonald.—A. I admit it does, but I was so upset—I am so upset now.

Q. It has that application, it looks like such an invitation?—A. It does.

Q. It strikes you in that way?—A. Yes, now, but I don’t think Mr. McDonald would do it.

Q. I don’t say he did; but it is a sort of invitation to him to do it.—A. I think I say at the end of it I didn’t know scarcely what I was writing.

Q. All right. Have you anything else to say?—A. That is all sir, that was the reason.

Q. You were hard up, that is all there is about it?—A. I was, sir, and I have a lot of papers that I would like to be allowed to swear into Court before this inquiry.

Q. Anything you like to adduce to clear yourself you are welcome to do.

Mr. WATSON.—We will give you an opportunity, in fact we will want you to appear again after some further inquiries have been made.—A. May I stay in Court for the afternoon?

Hon. Mr. CASSELS.—I think, Mr. Watson, Mr. Schmidt is entitled to stay in Court; he is accused.

Mr. WATSON.—All right.

HARRY C. STEVENS, recalled.

*By Mr. Watson:*

Q. Now, who assisted in the financing of the business, that is outside of the firm, during the time that these transactions with the Department were going on?—A. I did it almost entirely myself.

Q. Yes, but with what assistance from outside?—A. The Bank of Montreal.

Q. And any other one outside?—A. I—yes, I think that one time when the bills were not rendered, and there was trouble to raise money, I went to the bank and showed them the orders for the work, and he said "you will have to get somebody from the Marine and Fisheries to certify that these orders are genuine, or that the work will give what you tell me." I told him we were going to have about \$13,000 worth of work. The manager looked at me. "Well," he said "get somebody to come and tell me that," and I think he asked me if Mr. Parsons would. I didn't wish to go to Mr. Parsons, I went to the Captain of the *Lady Laurier*, and I asked him to come down, I think I said, "Brush your coat, and come down, I want you to tell the manager we are working on your ship." I was pretty well worried at the time.

Q. Who was the captain?—A. Captain Johnston.

Q. Yes.—A. He came down and he told the manager that the work was going on, and the manager asked him how much he thought. He told him about \$8,000. Well, I did not make the captain wise, I did not want him to know too much.

Q. I see.—A. Then the work kept going on, and in that way I got the money from the Bank of Montreal.

Q. Yes, on what happened Captain Johnston said. Then did they ask him to put his name on it?—A. I think the manager got him to endorse.

Q. Got Captain Johnstone to endorse the papers, I see. And how much did you pay Captain Johnston for that?—A. I paid him nothing.

A. Eh?—A. I paid him nothing.

Q. What?—A. I paid him nothing.

Qfl. You didn't pay him anything?—A. We—

Q. What did you do?—A. What did I do?

Q. Yes.—A. I think before the bill—

Q. How did you remunerate him, or compensate him for that?—A. I think before the bills were paid our money was pretty near all gone, and we didn't have any money to pay out to anybody.

Q. Did you promise to pay him?—A. No sir.

Q. What?—A. No sir.

Q. You didn't promise to pay him?—A. I have no recollection of promising to pay him.

Q. No recollection?—A. I felt this way, we were independent of Captain Johnston.

Q. That is it, is it, no recollection of promising to pay him. When did that take place?—A. That would be about two years ago, that time we were doing the work.

Q. A couple of years ago?—A. Probably that.

Q. Just try and think whether you promised to pay him or not, whether you said something about you would remember him, or make it up?—A. I have no recollection, because I did not pay him. We wanted the money ourselves. I don't think it is possible I could have promised him.

Q. But did you have some other transactions with him?—A. With Captain Johnston?

Q. Yes.—A. Nothing in connection with the department.

Q. Nothing in connection with the department?—A. No.

Q. In connection with other matters?—A. Yes.

Q. Did you have an account with him?—A. Not a personal account with the firm. It is a kind of partnership on a mine deal. I would sooner not say anything about it in court as we have that place bonded now.

Q. A mining deal?—A. Captain Johnston paid—I don't want to go into it unless you do—he paid to come into it—the amount is small. We may make a lot on it. I don't care to say anything about it.

Q. Where is the property?—A. In Cape Breton.

Q. Did you go up with Captain Johnston to that property several times?—A. I have never been on the ground with Captain Johnston. I understand while inspecting the lighthouses he took a run over and looked at it, but I have been there at different times.

Q. But are you not aware that the *Lady Laurier* has made several trips there?—A. She cannot get there.

Q. Cannot get there?—A. She could, but she has not, I don't think she has ever gone through the St. Peter's Canal.

Q. That is it then. Have some smaller ships gone through?—A. Not any government ships that I know.

Q. But there is the fact that that personal interest existed in this other matter between you and Captain Johnston?—A. Which personal?

Q. That you had a common interest?—A. Well, I might have come into that, but I could not get anybody else to get hold of it.

Q. That is all right, I am not saying you could. I am merely saying you show that common interest did exist. Then Captain Johnston certified to a number of your accounts?—A. I don't know what becomes of them. I generally take them into the office to get those through. I want to borrow the money from the bank, that is all.

Q. You do not know what becomes of them. Do you mean to say you get money from the bank?—A. On nearly every account.

Q. The accounts appear to have been transferred to the bank?—A. A kind of partnership between the bank and us.

Q. A kind of partnership, we have a new partnership?—A. I don't mean that way. We are so hard up that unless the bank supplied us with money we could not get along.

Q. I see. So the account is transferred to the bank. Is the money paid directly to the bank?—A. I think all cheques in the last three or four years probably.

Q. They have gone directly to the bank?—A. Unless they have been very small.

Q. Then during all that time Captain Johnston has been endorsing paper?—A. No; Mr. Tremaine, generally.

Q. No, endorsing the notes or papers you get discounted with the bank?—A. Oh, no.

Q. How many times did that occur with Captain Johnston?—A. He did not endorse any. The information I gave to the bank he simply wrote on it I think the work cost so much. The manager wanted to know, I was telling the manager, he did not know we were working on the ship, except we had orders from the department. I had always carried out what I arranged with the bank, and he didn't want any very strong security, only that what I was telling him was true, and the captain would tell him.

Q. The captain would tell?—A. The captain was good enough to come down to the bank to say I was telling the truth.

Q. The captain was good enough, you did not want anybody else?—A. No.

Q. And which is the more intimate, Captain Johnston or Mr. Macnamara, that is, more intimate with you?—A. Well, we have been so very little intimate with Mr. Macnamara in our dealings, he is too small with us.

Q. Too small, his was not a big enough account?—A. He knows nothing about our part, we don't buy or sell much at all, it is more labour.

Q. I see. Then I see Mr. Parsons has certified practically to all these accounts; that is right, is it?—A. I don't know.

Q. You say you don't know?—A. I thought Mr. Tremaine.

Q. They are here. Well, they will speak for themselves. I think Mr. Parsons' name is on all of them. And so far as you know, no questions were ever asked?—A. No, sir.

Q. No questions ever asked?—A. I think in one instance when we put in a bill, but that is before this time.

Q. Then you had to do with Mr. Schmidt?—A. Yes, Mr. Schmidt usually.

Q. What?—A. Mr. Schmidt was supervisor of the work we did mostly.

Q. Supervisor?—A. Inspector.

Q. Of most of the work. And did you ever get any requests from him?—A. For money? Never a hint of it.

Q. Eh?—A. Never a hint of it. It is a surprise to me that Mr. Schmidt got any money from anybody.

Q. Never a hint of it from him, is that right?—A. That is correct, sir.

Q. Do you mean he was an exception that way?—A. Well, to the merchant service he was an exception.

Q. He was an exception?—A. To our dealing with the merchant.

Q. I see, an exception to the merchant service. You mean you usually got some

Q. I see, an exception to the merchant service. You mean you usually got some hints?—A. We have a good many, we have done some pretty good jobs outside of the Government

Q. Hints. And there is not any object in getting a hint perhaps unless you respond to it?—A. If we didn't take the hint we probably wouldn't get the job next time.

Q. I see, if you did not take the hint you probably would not get the job next time. That is the way the business goes?—A. I won't say it is universal, but it is general, from the north of Scotland to little Nova Scotia, where there is any marine work.

Q. I see, from the north of Scotland to little Nova Scotia. Perhaps you might let Scotland look after itself.—A. I am not much of a witness. I say things I don't exactly—

Q. That is how you find things you say in Nova Scotia?—A. Not as bad I don't believe as across, but there is a little.

Q. So that you understand what a hint means pretty well. Then do you remember just now who it was you got the hints from in connection with the department?—A. Well, we always felt we were independent.

Q. Yes, but I am not asking you about that.—A. We didn't dodge them, but we never looked for them, and if you don't look for them you needn't get them.

Q. But you said you got the hints.—A. I didn't say we got any hints. I mean it is like this, if you think a man—the work depends on a certain man—you can get close enough to get a hint from him.

Q. I see. You can get close enough to get a hint from him. You seem to be up to it pretty well.—A. If you get far enough you don't get hints. If I might explain, but you don't want an explanation.

*By Hon. Mr. Cassels:*

Q. What do you wish to say?—A. In our work with the department we have no competitors, and the recommendation of the members was all we wanted, and we work competitors, and the recommendation of the members was all we wanted, and we worked on that basis.

Q. Did you pay the members anything?—A. No.

Q. Did you pay to any fund?—A. Political fund?

Q. I don't care, any fund?—A. Not for the members.

Q. Well, what for?—A. I think we have been, we may have put a little in for legitimate expenses, but I don't care to answer anything about it.

Q. All right.

*By Mr. Watson:*

Q. Now, had that to do with the obtaining of orders from the Marine Department?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Why not?—A. Because—

Q. Would you have got the orders if you had not done that?—A. We would have got any help we could from Mr. Roche, because he has been a friend of Mr. Howell's in his business 40 years, and I think we have got more work out of Mr. Roche, double I should think—I would not say double—than what we got out of the Department of Marine and Fisheries, as agent for—

Q. Than outside?—A. As agent for steamboats.

Q. Then it is probably through members you got orders for the department?—A. Mr. Roche recommended us.

Q. In each particular case?—A. No. By a broad recommendation.

Q. But we want to get away from 1896, the patronage list. Did you get a request that you should have the order in each particular case where you received the order?—A. All that work on the *Laurier* I think to get as much as we could I went to the members and asked them to recommend us for the whole of it. They did not do that, but we got a good share of it.

Q. So when you would find there would be something going then you would take the course, as I understand you, of going to the member and having him intervene on your behalf?—A. To give a written recommendation.

Q. Give a written recommendation, I see. Then what were you to do in return for compensation for that?—A. We never did that.

Q. Was there any understanding or agreement you should do anything in consequence of that, or make any payment in consequence of that?—A. Positively none. and as far as—

Q. What were you going to say?—A. As far as I know what might have been going through the member's mind, I don't know, but outside of that there was nothing.

Q. Why do you use that observation, 'What might have been going through the member's mind?' Did you give him cause to think something was going through his mind?—A. No, except when an election came along we would vote for him, and get anybody else we could to vote for him.

Q. Anything else than that?—A. Nothing.

Q. Then did either of the members, or anyone else that was exercising any influence, or intervening on your behalf, know of these large profits that you have spoken of before luncheon, did they know of that?—A. I think some of them had an idea we were doing pretty well.

Q. Whom did you understand had an idea you were doing pretty well?—A. A. Well, my lord, does this belong to any part of the inquiry?

Hon. Mr. CASSELS.—Yes, in connection with orders.

*By Mr. Watson:*

Q. It is in connection with orders and the work.—A. I believe there is a committee, and they come and said once or twice, 'There is legitimate expenses to meet and we will expect you to send.'

Q. What?—A. There is legitimate expenses, or something to that effect. They worded it very nicely. I presume that was his election.

• *By Hon. Mr. Cassels:*

Q. You say they expected.—A. They expected we would pay something towards the expenses of the election. I am not going any further than that.

*By Mr. Watson:*

Q. But had that to do with the orders?—A. No, because these people could not influence the orders.

Q. Well now, did anyone who came to you in that way in any way assist you in getting the orders from the department?—A. I don't think they did in any way at all.

Q. You don't think they did.—A. Although I asked them if they could. I don't think they ever bothered their head about it. They got the money, and that is all.

Q. You think they got the money and never bothered their heads about it?—A. I think that is about the size of it. They left it to ourselves to get.

Q. Well, you are putting yourself in rather a peculiar position between you and them, I am afraid. Have you got any other explanation to make?—A. I have got an idea of what I mean, but I may not say it right. I mean I don't think they could do much if they wanted to.

Q. You said you thought they did not care to after they got the subscription. That is all they cared about. They did not care what you got or not.—A. That is human nature. I suppose each man has to speak for himself about a matter of that kind.

Q. You think that is human nature.

*By Hon. Mr. Cassels :*

Q. I suppose in plain English the members recommended you for a profitable contract?—A. They would not.

Q. They recommended what turned out a profitable contract?—A. They would not.

Q. And then when an election came on the committee came and asked for contributions?—A. Yes. And what is between the members and the committee we know nothing about.

Q. I understand. You are supporters, and they wanted you to subscribe, and you were subscribers. That is the story?—A. Yes. That is what I wanted to convey.

*By Mr. Watson :*

Q. But the point in regard to that, so far as it affects the Commission as I understand it, is that you said that at the time you got the order you thought they knew pretty well you were going to make a good lot out of it?—A. Is that my expression?

Q. Yes, to that effect. Perhaps not the exact words, but that is the effect of it.—A. Well, if you say so.

Q. Eh?—A. Would you repeat what you said?

Q. That at the time you got the orders that those who recommended them,—and I thought you were applying it directly to the members here—that they knew you were going to get a pretty good thing out of them, you were going to make a lot out of the orders.—A. I cannot remember saying anything to give that impression.

Q. What do you say now about that?—A. I say when I wanted anything I thought was coming that I would go to them for the recommendation. Generally I suppose to the office to give us—of course that didn't say we had to get it. They recommended it.

Q. That is, the members recommended it?—A. Yes.

Q. Who else recommended it besides the members? Any member of the committee?—A. No.

Q. Eh?—A. No.

Q. Just try and think?—A. I have no recollection. I don't know much about them.

Q. I see, no member of the committee. Were the members, members also of the Committee?—A. I could not say, sir.

Q. You could not say. Well now, at the time the recommendations were made, did they know the prices you were going to get, you were going to charge afterwards, did you have a talk about that?—A. No, sir, we never talked prices.

Q. Not at all?—A. No, sir.

Q. Never anything said about it?—A. I haven't the slightest recollection of ever—

Q. Then let me ask you this in a plain, straight way. Did you get these orders you have spoken of carrying the large profits that you have also spoken of, by reason, or in consideration of your subscriptions for party purposes?—A. No, I don't think it would be that. We have been always a Liberal firm, that is a Liberal in politics, and when they come to a change of government we were the only Liberal machinists in Halifax, or in the surroundings, and we were put on the list for the work, and then if there was any chance of anybody else cutting into us, we would go down then for a recommendation.

Q. That is what you have to say?—That is as clear—

Q. Are you a partner or an employee?—A. I am an employee, and I have always done the best I could, because the business has been thrown on my hands, because of Mr. Howell's increasing age, and of his not being well for the last six years or more, and I did what I could for him.

Q. And apparently it has been a pretty profitable business?—A. Well, more profitable than in former years.

Q. Then has Mr. Howell had a knowledge of the transactions and of the profits, the profits that were being added on these orders?—A. He never seemed to bother his head about the thing at all. I don't think he has looked inside a book for it might be ten years.

Q. I see. It has all been practically left in your hands, is that right?—A. Yes, sir.

Q. Then is there any information Mr. Howell can give that you know of?—A. I don't think he can give you any information that would be of any value.

Q. You don't think so?—A. I feel pretty sure, because he has not been familiar enough with his business, that is as familiar as he ought to be.

Q. I see. Now, let us see your ledger here.—A. This book I think, (producing).

Q. Let us see the account for any officials there?—A. That I believe is the only account we have.

Q. Just try and think. The book will show I suppose. Let me see, please. This is an account with Captain Johnston, is that right?—A. Yes, sir.

Q. It starts in November, 1907, that year it amounted to \$90.25, and during that year he paid \$25.—A. I think—

Q. Leaving a balance of \$65. There is where it is. (Indicating.) Is that due yet?—A. I think he in that partnership owes \$125.

Q. That partnership?—A. We call it a partnership. It is not registered. There are four of us in this mine business.

Q. Why get that in the firm's books?—A. It is the easiest way to keep the account without opening other books.

Q. Has your principal, Mr. Howell, an interest in this?—A. Yes.

Q. Oh, it is Mr. Howell's transaction, and not your own. I thought it was personal between you and Captain Johnston.—A. There are four of us there.

Q. Four of you?—A. Yes.

Q. That is Mr. Howell and yourself, is that right?—A. Yes.

Q. Captain Johnston and?—A. Mr. Smith.

Q. What Mr. Smith?—A. Mr. Malcolm Smith, miner.

Q. Not Mr. Schmidt, who is here?—A. Yes sir.

Q. Now, what does this account relate to, to that business?—A. Yes, prospecting.

Q. Just for that mining business, is that what you say?—A. Yes, altogether that mining.

Q. That is, this account has nothing to do with the Marine and Fisheries business?—A. Nothing at all.

Q. Quite sure?—A. Quite sure. I think Captain Johnstone paid more money than you mentioned.

Q. Yes, he has. There is the balance?—A. About \$80 or \$90 I think.

Q. Yes, perhaps a little more, \$80 or \$90, that is the way that stands. But that is comparatively recent, it runs down, the last one to August 29th I see.

Now then, where is there any other accounts?—A. I don't know of any other account.

Q. Just look and see. It is queer to say you don't know?—A. Little things might slip. I don't think there is any. I would have to take the names.

Q. Take the names, take Captain Johnston?—A. I have taken his.

Q. Any other account there?—A. No other account of Captain Johnston's.

Q. Any other sort?—A. There is none, I am sure of it.

Q. None, are you quite sure?—A. Well, I am pretty positive. I could not swear to it. I ought to remember, and there is nothing that strikes me.

Q. Nothing strikes you. Then what favours have you given from time to time to Mr. Schmidt?—A. None.

Q. Why is that? You got some hints from him—A. Well, I made that explanation a moment ago to his lordship, that we could get all the recommendations from the members, and we had no competition, and we wanted all the money ourselves.

Q. I see. Did you get any hints from him?—A. No sir.

Q. Then from whom did you get the hints in connection with the marine office?—A. Not a hint from anybody in connection with the marine office.

Q. Not a hint?—A. No.

Q. Not even a little one?—A. No. I kept too far away from the hints.

Q. Eh?—A. I would keep too far away for the hints to reach us. That is my method of doing business.

Q. That was your method?—A. Yes.

Q. You pursued that as a matter of method or system?—A. Matter of scheming I suppose.

Q. A matter of scheming, I see. Keep away, so you would not get the hints. Had you been warned against hints?—A. No, I don't think. I knew they might come, I felt it. I did not give them any chance to come.

Q. I see. Do you mean to say then, Mr. Stevens, that none of them got anything from you?—A. I don't remember of ever giving a cent to anyone in the Marine Office, Halifax.

Q. You don't remember. You don't carry it any further. Perhaps that is the best you can do. You are not able to make it positive?—A. I should remember. When I say on oath I don't remember, I feel pretty positive.

Q. You feel pretty positive?—A. You see, I had a lot of business to do, and a lot of different people to deal with, and it is asking a good deal to remember without hardly any help.

Q. I see. Well, now, business was not as good at all times of the year?—A. No, business is not good at all times of the year.

Q. Business is best when you are filling orders from the Department of Marine and Fisheries —A. Yes, likely they have been our best customers.

Q. Is that the reason then you put on the profits so as to make the good provide for the bad times?—A. Well, in our business we don't count what it costs to do an individual job. Now, we have got a year's work to carry on, we have got cost of so much, we are going to have lots of idle time, at the end of the year we must show a profit.

Q. So when you get a good order you make it make up for the bad ones?—A. If we don't, we would not be able to make it pay.

Q. I see. That is a pretty bad condition of affairs, is it not?—A. Well, Mr. Howell—I have often talked to him about giving up the job in the shop and going into a specialty, but you know it troubles you to think you have got to overcharge, but you have got to do it.

Q. And that is your reason for making the overcharges you refer to?—A. That is the reason.

Q. And apparently there has not been anybody in the department who could or did discover the overcharges; that is the way it is, eh? They passed them along?—A. They trusted us. Naturally we should be trusted. It is a matter of business, a person cannot run a shop for nothing. A jobbing shop is a kind of charity shop.

Q. What?—A. A kind of charity shop, a jobbing shop.

Q. That is, you keep a charity?—A. No.

Q. You accept it or give it?—A. We keep the shop open for the jobs as they come along, we keep it for the job and wait until it comes.

Mr. WATSON.—It is not very satisfactory, my lord. That will do Mr. Stevens.

CHARLES R. HOBEN, sworn.

*By Mr. Watson:*

Q. Mr. Hoben, did you bring your books?—A. They are here.

Q. Let us have Mr. Hoben's books. Is that the lot?—A. My cheques are not here, and there are other books, another bunch of books

Q. We will want to have those other books. The transactions between you and the department I see are quite a little sum during the three years past. Have you got your wage-book and time-book here?—A. I have got my last time-book.

Q. Your last time-book?—A. Yes.

Q. Let me see it, please. Is it here? The last time-book, when does it commence?—A. The 11th of September, I think.

Q. The 11th of September of this year?—A. Yes, sir.

Q. Where is the one before that?—A. Well, I haven't got that.

Q. You haven't got it. Why not, Mr. Hoben?—A. Well, if I had known you would want it, or was coming here, I would certainly have kept it, but I didn't keep this book.

Q. Did you destroy it?—A. No, sir, I did not.

Q. What became of it?—A. I will make an explanation. A book like that, or similar to that, is kept loosely for the sake of getting the men's time in the workshop, and after it is done and finished it is generally used roughly, and in leaves, and probably goes in the scrap basket.

Q. Probably does?—A. If it is finished.

Q. It may be in your office?—A. I don't think it is. I went down to try and find them. I brought that up to-day. There is no other there.

Q. You don't think it is there?—A. I know it is not. It is not there. If it was I would have brought it up. There is nothing to conceal in it. All in it is in the day-book. I can give you the day-book which is a copy of all in the time-book.

Q. What is your business?—A. Tinsmith, and I run a foundry.

Q. Tinsmith?—A. Yes.

Q. And you run a foundry?—A. Yes, and I sell kitchen ware, and do a plumbing business.

Q. A plumbing business. You have a lot. I see you describe yourself here as selling tinware, household hardware, novelties, and stoves, is that right?—A. That is correct.

Q. That comprises the business, does it?—A. Yes.

Q. Then take the account for 1904 and 1905. I see it consists of lamps furnished to a considerable amount. Lamps, you do not manufacture lamps?—A. Yes.

Q. Do you manufacture them?—A. Yes.

Q. Eh?—A. Make them.

Q. I see. Are you a wholesale dealer?—A. Yes, I do some wholesale business.

Q. Eh?—A. I do some wholesale business.

Q. You do some wholesale business?—A. Yes.

Q. For the most part retail?—A. Well, I have a traveller on the road. I think I do as much wholesale as retail.

Q. About as much of one as the other, is that right?—A. I think so.

Q. Then I see you have here the word 'supplies,' supplies to the steamship *Lady Laurier*. What does that mean? Supplies?—A. I have that word?

Q. Yes. Well, it is in the memorandum I have here. That may be a departmental word, it may not be accurate?—A. \$20?

Q. Yes. What would that mean?—A. That was not on any bill of mine.

Q. It was not?—A. No.

Q. That appears here three different times in that memorandum, 'supplies.' Then the greater portion of these goods I assume you buy and resell to the department, is that correct?—A. A good many of them we do. Of course, we don't sell many goods to the department.

Q. To what you do sell, that applies. It is about \$2,400 to \$2,500 worth. That is quite a little trade?—A. In how long.

Q. In the three fiscal years?—A. That may be about right.

Q. Then that applies to the larger portion of the accounts, that is that you buy the goods and resell them to the department?—A. Well, I have not divided the account. Some of the goods I resell that I buy, and some I manufacture.

Q. And do you sell them at wholesale prices, or retail prices to the department?—A. I sell them at prices I quote to the government in competition with others.

Q. Yes. That is sometimes?—A. Sometimes?

Q. Sometimes, I see. But it is very seldom?—A. No.

Q. I do not see any fixed here, not one?—A. Well, what are you looking at?

Q. I am looking at the accounts.—A. If you look at the accounts you will find the prices I charged are prices I quoted.

Q. Are there any cases where you had a contract?—A. There are plenty of cases where I quoted prices.

Q. Any cases where there was a contract?—A. Yes.

Q. A written contract?—A. I have tendered and got the order.

Q. Has that occurred more than once or twice during the three years?—A. It would cover quite a large portion of the accounts.

Q. Has that occurred more than once or twice during the three years?—A. Yes.

Q. How many times has that occurred?—A. I think it has occurred—I think it would cover half the business, I would think so.

Q. You think it would cover half the business?—A. Where I have tendered.

Q. Who else has tendered besides you?—A. I don't know.

Q. And you have sold and delivered them at profits on retail prices, is that right?—A. I have sold my goods at prices I quoted for.

Q. I did not ask you that. Sometimes you quoted prices, sometimes you did not, and on the whole you have sold and delivered at prices that are above retail prices?—A. No.

Q. Were they retail prices?—A. Well, the goods I sold the department as a rule were goods I could not retail anywhere else.

Q. You could not retail?—A. No. Nobody else buys marine lamps but the Department of Marine.

Q. And where did you get the marine lamps?—A. I made them.

Q. And what prices did you charge for the marine lamps?—A. The prices are on the bills.

Q. Do you remember what prices?—A. I think probably ten and a half dollars.

Q. Ten and a half dollars a lamp?—A. Yes. Some of them are nine and a half dollars I think.

Hon. Mr. CASSELS.—What you describe as a marine lamp is—A. A lighthouse lamp.

*By Hon. Mr. Watson:*

Q. Now, could you sell them to anybody else?—A. No.

Q. For any other purpose?—A. No.

Q. Not at all?—A. No.

Q. No one else bought them?—A. Nobody else wants them.

*By Hon. Mr. Cassels:*

Q. Are these oil lamps?—A. A special lamp built to fit a certain place in different lighthouses. Every lamp is different. Probably not two are alike in twelve I manufacture.

Q. Built to specification I presume?—A. I made a very definite and fixed price on the lamp before I made the lamp.

Q. I want to get at what the lamp is, each lamp is made according to specification?—A. Yes. Sometimes a drawing comes in, and they vary, there are a great many varieties. Probably I should have called them lighthouse lamps.

Q. Lighthouse lamps?—A. Yes.

*By Mr. Watson:*

Q. These are your accounts. Let us look at this one of 1906. Did you make a ventilator for them?—A. Yes.

Q. When was that?—A. I think I made several.

Q. Oh yes, but when was the one, the ventilator that you have in mind, and I am referring to?—A. I have not in mind what you are referring to. You asked me if I built one. I said yes.

Q. Had you built one that you charged too much for?—A. I don't think I did.

Q. You don't think so. Well, when did you build that one there was trouble about?—A. I was away when that was done.

Q. Away?—A. In Cape Breton.

Q. How long were you in Cape Breton?—A. Probably about three weeks.

Q. And what was the price of that, let us see your book. The book will tell, won't it? Now, that one you billed at \$39, did you not?—A. Yes, I billed several at \$39.

Q. But the one particularly?—A. One was disputed.

Q. And although you billed it at \$39 you afterwards accepted \$19 for the same one. Is not that so?—A. 25.

Q. \$25?—A. I think it was \$25, I know it was \$25.

Q. You know it was \$25?—A. Yes.

Q. Let us see the entry of it. And at that time is it the fact that there was the overcharge between \$25 and \$39?—A. I didn't make out the bill and charge that ventilator.

Q. Somebody else charged it?—A. I could tell you how that happened.

Q. Who did it?—A. I think Stewart.

Q. Who is Stewart?—A. My book-keeper.

Q. And he billed it at a wrong price?—A. Yes. I probably if I had been at home, would not have billed it at that price.

Q. Probably you would not have billed it at that price?—A. I had not the cost of it, and never got the cost of that ventilator.

Q. Is that as far as you go, that probably you would not have billed it at that price?—A. Of course, I am not familiar with that transaction, I was away at the time.

Q. Oh yes, you became familiar with it afterwards?—A. I could not get all the details of it afterwards.

Q. Why?—A. I never saw the ventilator.

Q. But where is the entry of it in the book, this one, have you got that there?—A. (Turning up the book.) I don't think, I think it is in the old ledger.

Q. Let us see the other ledger. Is it here? Is this it here?—A. Yes. It is the one underneath. No, that is not it, there is another ledger.

Q. Is this it?—A. No, a big one.

Q. You have not got it here?—A. It is here somewhere, there are two ledgers up here. This is the payment for it.

Q. Whereabouts?—A. I think that is the charge. 'To balance carried forward, \$39.' And this is the payment for it, \$25.

Q. How do you know?—A. It is not ticked, I know it was a \$25 payment. That carried along our books for a number of years, and I never saw that completed.

Q. Speak out louder. That is the one you say probably you would not have charged that much for if it had come under your personal knowledge in the first place?—A. I would like to be allowed to say we had made several ventilators and charged \$39 for them. When I was in Cape Breton an order for a ventilator came in, and it was made, and the young man charged the same price for that ventilator that he had been charging for the other ventilators, and my information I got from the Marine and Fisheries Department is that this was a galvanized ventilator, and the other a Muntz metal ventilator, and if that information was correct it probably should have been a little less than it was. I felt though there was more work on this ventilator, and the cost between the two ventilators was not very great, but of course I did not see the ventilator, and I was under the impression the charge made might be correct.

Q. Now then, what you have been charging for is the time of the men working on these things?—A. The bills will have to speak for themselves.

Q. Don't you remember?—A. No. I don't think I could off hand say what I was charging for each man employed.

Q. Have you not been charging for common labour the same as for skilled labour?—A. No.

Q. In the departmental work?—A. No, I have not.

Q. Do you think not?—A. I am sure I have not.

*Hon. Mr. Cassels:*

Q. How would you charge for the men when selling the lamps?—A. I just charge for the lamp, I fix a flat rate on the lamp with the agent, I don't show the men's time on the lamps.

Q. Between you and the department you sell the lamps at fixed prices?—A. I know the price to charge them, and charge that.

Q. The men's labour is a matter for yourselves?—A. That is a matter for me.

Mr. WATSON.—That is a matter for you. But at all events you are like men having a patent, charging for their patent rights?—A. No, I don't see how there is any application at all.

Q. I see. Now then, you have been having, I am informed, quite excessive profits on these transactions, Mr. Hoben?—A. That is news to me.

Q. Large profits. What have your profits been, about?—A. On the goods?

Q. Thirty to forty per cent or more?—A. Do you refer to the net profit or the gross profit? There is a very great difference in my business.

Q. The gross profit?—A. I don't know. I know the net profit.

Hon. Mr. CASSELS.—What is the net profit.

Mr. WATSON.—Wait a moment before you answer that. I am not speaking of the net profit on the whole business, mind you, but on the goods sold to this department, distinguishing it, not wanting to turn it in with the whole of the business, you see, but distinguishing. What has been the net profit on the goods sold to the department?—A. Well, on goods sold to the department there are manufactured goods, goods that I make myself, and other goods that I buy and sell and job. Now, goods I make myself I have named a price on, and quoted the department a price on, and got them made as cheaply as I could.

Q. You said so before?—A. Now some goods cost more than others would cost. There is not a uniform fixed profit on these goods.

Q. I can understand that. What is the average net profit on the manufactured goods you have sold to the department?—A. I never tried to average it.

Q. About what, you have a good idea?—A. I know precisely what I am making in my whole business.

Q. I am not asking about that at all, because that helps to keep up the average.—A. I would not undertake to say, but I am satisfied it is not larger than I make in other directions of my business.

Q. What is the profit you made on the goods you buy and then resell to the department?—A. I would not say just what it is.

Q. About how much, 40 per cent?—A. It depends on the market, and how close I can buy them.

Q. Come to it, about how much profit?—A. Sometimes not 5 per cent, sometimes 100 per cent.

Q. Yes.

*By Hon. Mr. Cassels:*

Q. Do I understand this witness buys these goods in order to fill orders from the government and keep them in store?—A. As a rule I keep in stock, but sometimes I have to go outside and buy something.

Q. You carry a stock?—A. Yes, I have a large store.

*By Mr. Watson:*

Q. Then upon the goods which you sell, which you have bought, the profit runs from 5 to 100 per cent is that right?—A. If I get a bargain.

Q. Is that right?—A. It would not be, I do not think, leaving a correct impression behind.

Q. That is what you said yourself?—A. I know, if you take it in a broad way it might be true. If a man wants a dozen pie plates which I sell at 5 cents apiece, and they cost  $2\frac{1}{2}$  that would be 100 per cent. Still, I don't think it is an excessive price for a pie plate.

Q. So your profits on the goods bought and sold, were speaking mildly, good healthy profits?—A. No, they were close, taking it altogether they were close.

Q. Would 100 per cent be an excessive profit?—A. You would not find, I do not think you would find any charge of any consequence that would appear like that.

Q. Would 50 per cent be too much, do you think?—A. It depends on the class of goods.

Q. It depends on the class of goods whether 50 per cent was too much, I see?—A. I would like to say in explanation—

Q. Just wait, please. You will get a chance to explain afterwards, because we are not getting on at all. Then did you have any accounts with any of the officials?—A. Yes.

Q. Just show the account, please.—A. (Turns up account.) Which one do you wish?

Q. Anyone. Let us see the ones not paid first. A. Mr. Parsons, that is back in the other ledger. The other ledger is here.

W. Where is that other ledger? This account goes back in the other ledger?—A. Yes sir.

Q. This one starts in 1906? This account amounts only to \$18 or \$20?—A. That is all.

Q. And it began in sometime, what year, 1904 or 5?—A. I think it began in 1906.

Q. You think it began in 1906?—A. Yes. You see that, December 31st, (Indicating.)

Q. And why has it not been paid? You did not collect it?—A. I tried to collect it.

Q. Eh?—A. I rendered that bill nine times this summer, I think.

Q. When did you make these entries?—A. My clerk made them when they were made out.

Q. When what was made out?—A. The bills were made out. You can see the date.

Q. Show me any other account where those entries are posted.—A. There they are, see them? (Indicating.)

Q. Yes, there is one. That happens to be on the same page.—A. Here you are. (Turning over leaves.)

Q. Go on.—A. Here, here, here. (Turning over.) Here, here. (Indicating.)

Q. Yes, that appears so. Now, where is it in the former ledger here, is that it?

—A. Yes.

Q. How far does that go back, March, 1904, I see. So it runs along from March, 1904, and what is the last entry?—A. July.

Q. July 24th, 1907, and during that time you have been getting orders more or less through Mr. Parsons.—A. There is nothing there after 1907, you see. (Indicating.)

Q. Yes, I know, July, 1907. That is just what we had, but during that time, 1905, 6, 7, you had been getting orders from him, according to these accounts?—A. No, I don't think I got an order from Mr. Parsons during that time.

Q. You may have got them through the office?—A. Yes, they came through Mr. Mitchell.

Q. That is through the same office?—A. Yes.

Q. And you have not collected the money?—A. No, but I have tried to collect that money. I will explain that to you, if you will allow me.

Q. Listen. Why did you go on extending the credit, if he did not pay?—A. He will pay that fully. He promised to pay that several times. I know he will pay.

Q. But why did you go on giving more goods when he was not paying any?—A. He will pay, I consider he is worth a good account of \$20.

Q. He is perfectly good for the amount?—A. I think he is.

Q. Perfectly good for any ordinary account?—A. I will tell you if you will allow me to say what I think about it.

Q. Just answer shortly. You make your answers very long?—A. This matter I think in justice to him I ought to explain, and in justice to myself.

Q. Go on.—A. I asked him for that account, and sent the clerk several times.

Q. We have got that several times.—A. He told me he entered the Department laden with a burden of debt, and it was his chief ambition to liquidate his liability honestly, and he would pay that fully just as soon as he was able to do it. I believe he told the truth.

Q. Is that what you wanted to say?—A. Yes. I pressed him after that for it several times.

Q. Then you allowed it to run on, keeping it going?—A. Yes.

Q. And you have no doubt he is good for it?—A. I believe he will pay it, I know he will.

Q. I did not ask you that. You have no doubt he is good for it?—A. He is good for \$20, yes.

Q. So during this time, that is the whole period, this account has been running?—A. No.

Q. Here from 1904 this account has run to 1907.—A. But Mr. Parsons has paid me.

Q. Where has he paid you anything?—A. If you go back of this.

Q. Back of 1904?—A. Yes.

Q. I said from 1904 on. You are always trying to get something in. Now then, where is the account with someone else?—A. (Turns up account) MacNamara.

Q. With Mr. MacNamara. When did that start?—A. In January, 1907.

Q. January, 1907. Any account in the other book then, that one there. (Indicating)?—A. I don't think there is. I have not got an index to this one. I had the index in, but it is not here.

Q. Cannot you tell where it is in that book? You know pretty well where it is?—A. No, I don't, I don't keep the books.

Q. You don't keep the books?—A. No.

Q. This has been running since when, January 25th, 1907. Have you not been able to get that paid?

Hon. Mr. CASSELS.—What is the amount of it, Mr. Watson?—A. \$14.80. I have rendered that bill about nine times.

*By Mr. Watson:*

Q. Well, you have not been able to get the money, is that right?—A. I think I can get the money all right.

Q. You have not been able to get it so far, is that right?—A. It is not paid.

Q. Well, you cannot answer directly.—A. Well, you ask—

Q. Have you been able to get it so far?—A. It is not my business to collect my bills.

*By Hon. Mr. Cassels:*

Q. He has not paid it.—A. I may collect it any time.

Q. You have not been able to, it has not been paid so far?—A. No. I have plenty of bills standing.

*By Mr. Watson:*

Q. I see, Mr. MacNamara endorsed your accounts, I mean to say he certifies your accounts. You know that, and you knew Mr. Parsons certified your accounts?—I never saw an account after it was sent up there, that I know of.

Q. I see. Now, who else is there you had an account with?—A. (Turns up.) Mitchell.

Q. Yes, Mr. Mitchell. When did that start?—A. November 10th of this year.

Q. Not before, eh?—A. No.

Q. Was there any account before that time?—A. No.

Q. Is there any account in the other book?—A. No.

Q. How do you know?—A. I know.

Q. Did you look to see?—A. No.

Q. You did not look to see. \$26 about. Then whom else have you got an account with?—A. I think that is all.

Q. Just look and see.—A. I will see if there is to Captain Johnston. I don't think there is.

Q. Then what other transactions have you had with Mr. Parsons?—A. Preceding this account there was a small account for \$38, which he gave me a note for, and paid.

Q. But what other accounts during the same time have you had with him?—A. No others.

Q. What other transactions?—A. None.

Q. None at all, eh? Look and see whether any one of these is with Mr. Johnston?—A. I don't think there is.

Q. Then do you make cheques payable to cash too?—A. Yes, certainly.

Q. Eh?—A. Certainly I do.

Q. Certainly you do in payment of accounts?—A. Yes. I make a cheque payable to cash any time I think it is the proper thing to do.

Q. So if you owe a man money and you want to pay his account, and you set about to pay it, do you draw the cheque payable to his order usually?—A. If we are here in town I just draw it out in cash.

Q. If here in town, and then you send it to him?—A. No, I think probably he would be in my office when I drew it out.

Q. Then why would you not make the cheque payable to his own order?—A. He would receipt his bill, and I don't see I need make it.

Q. That is outside the regular course, at least the usual course?—A. I don't think so. I think it is the usual course to draw to cash.

Q. The usual course to draw cheques to cash if you want to pay an account?—A. Yes.

Q. A man comes in with an account of \$50, you want to pay the account, and you give him a cheque payable to cash, and not to his own order, is that right?—A. I don't think you will find many \$50 cheques for cash.

Q. Speak for yourself?—A. I do do it, and did to-day. I think it is right, I think it is a good system.

Q. You think that a good system?—A. Yes.

Q. And not make it payable to the order of the individual?—A. You won't find the circumstance you describe in there, but I draw cash for wages, and always draw cheques on that account payable to cash, and for small matters around town I always draw to cash.

Q. What is that cheque for?—A. I could not tell you.

Q. Well, look up in your books, and see what it is for?—A. March 2nd, 1906.

Q. Look at the ledger or cash-book.—A. (Turns up book). It is not in this cash-book.

Q. Does that cover the period?—A. No, I think my cash-book of the present date is in my office.

Q. In your office?—A. Yes.

Q. From March, 1906?—A. Yes. The two years run together. This comes up to 1905.

Q. So you did not bring up the cash-book from March, 1905?—A. I am using it there. I think I can bring it up.

Q. You will have to bring it up. There are some others in the same way. Just retire then, and bring them up, please. Leave these books here. Is there any other book you have got there?—A. No.

Q. Then you have a book showing the time of the men?—A. Yes.

Q. Bring that up, please.

Hon. Mr. CASSELS.—Mr. Watson, do you want that last witness to bring them up this afternoon?

Mr. WATSON.—Oh yes. Bring up the books, please, as soon as you can, Mr. Hoben.

PETER RYAN, called.

Mr. WATSON.—Will you pardon me for a moment. I wish to recall Mr. Tremaine, my lord.

A. DEB. TREMAINE, recalled.

*By Mr. Watson:*

Q. How many employees were there in the department in August, 1908?—A. 82, sir.

Q. Let us see the book, please, 82?—A. There is the pay-list, sir. (Producing).

Q. That is the pay-list?—A. Yes sir.

Q. Now then, let us see the book of 1907, how many were there in August, 1907?—A. I have the pay-sheet there for that.

Q. August, 1907. Do you know whether there were more or less, have you added them up?—A. No sir, I have not added them up. They are somewhere about the same.

Q. You can make up a statement?—A. I will make up a statement.

Q. And in August, 1906, just take the three years.—A. Yes sir.

Q. And by a memorandum I have here which is given to me by you—A. Yes, sir.

Q. It appears that in September of this year there were 77 employees?—A. Yes sir.

Q. That is right. Not as many therefore as in August?—A. No sir.

Q. And would last year compare about with that?—A. I should say so, yes sir.

Q. And the same in 1906?—A. Oh no, sir. 1906 we were not in the dockyard, we were not employing anything like as many men then.

Q. Then I see in October, 1908, by this memorandum, the number of men employed in the dockyard—is this speaking of the dockyard?—A. That is the dockyard.

Q. This does not include other employees outside of the dockyard?—A. No.

Q. Not dockyard employees generally, but men in the dockyard?—A. Just the men in the dockyard, and not including officers.

Q. Not including officers in the dockyard?—A. No sir, just the dockyard pay-list.

Q. Just the regular labour pay-list?—A. The regular pay-list, including the store-keeper and the officers under him.

Q. Then I see in October, 1908, the number employed was 176?—A. Yes sir.

Q. And in November, 1908?—A. 158.

Q. The figure you have given me here is not correct. You say it should be 158?—A. Yes.

Q. That is just the men in the dockyard?—A. Yes.

Q. Then were there proportionate increases in other places?—A. No, sir.

Q. Eh?—No. The other men employees of the department would be at light-houses and so on.

Q. And was that increased in October?—A. Not particularly in October—no, sir, during the summer time.

Q. I am not asking about the summer time.—A. I am only getting at that. We sent men away to various parts of the province to repair lights, and there might be more men employed one month than another on one particular job, but that is outside.

Q. Now, then, 176 men were employed there in the dockyard. That is a tremendous staff, is it not?—A. It is not anything like the staff that was employed there in the Imperial times.

Q. I am not talking of Imperial times. You are going away back.

*By Hon. Mr. Cassels:*

Q. What Mr. Watson means is, a startling increase from September?—A. Yes, sir.

*By Mr. Watson:*

Q. How do you account for that increase?—A. By work that was to be done in the way of clearing up the premises for winter, and some men were employed in the Admiralty.

Q. The premises must have got terribly dirty?—A. Well, there was a lot of cable to be removed from one portion of the yard to another, and put in a cable tank.

Q. And what were the 177 men going to do?—A. They were employed in several avocations about the yard.

*By Hon. Mr. Cassels:*

Q. What is the size of a yard?—A. About half a mile in extent along the water front.

Q. Half a mile along?—A. Half a mile along the water front.

Q. That is the lower dockyard down by the station?—A. Just below the station, about half a mile in extent, and there are five wharfs there.

*By Mr. Watson:*

Q. You say you put on an addition of practically 100 men, 99?—A. I did not, but they were put on.

Q. Who did it?—A. They were employed by the agent.

Q. Mr. Parsons then put them on?—A. Yes, sir.

Q. He gave you directions?—A. No, sir, I hadn't anything to do with it at all.

Q. Well, who employed those 100 men?—A. Mr. Parsons, as agent of the department.

Q. I see. Did he do it personally?—A. I don't know that he engaged them personally. I think they were principally taken on by the storekeeper.

Q. What storekeeper?—A. Macnamara. That is his duty to look after the yard.

Q. Well, whose judgment, whose discretion was it?—A. Well, the discretion of the agent, I presume.

Q. But do you know?—A. I do not sir. I had nothing whatever to do with it.

Q. You had nothing whatever to do with it?—A. I had nothing whatever to do with it.

Q. And this was just done, the extra hundred men were just put on to clean up, is that it?—A. And to make various repairs, and things required about the yard.

Q. What repairs are there to make?—A. Mr. Watson, I cannot answer this question. I have nothing to do with the management whatever.

Q. Who would know?—A. Mr. Parsons or Mr. Macnamara.

Q. Does Mr. Parsons know all about the yard?—A. I presume so. It is his duty to do so, sir.

Q. You have nothing to do with the management?—A. Nothing whatever.

Q. You have nothing to do there at all?—A. Outside of the office.

Q. Have you all to do with the management inside?—A. Yes, sir.

Q. How many men are there now, this week?—A. I did not make it up.

Q. About how many are there there now?—A. By the number paid off I should think about—

Q. Twenty-five?—A. Oh, no. Somewhere in the neighbourhood of between 80 and 100.

Q. Oh, it has got down to the normal number?—A. Yes, sir, somewhere in that neighbourhood.

Q. Were these extra one hundred men employed for the whole month?—A. Some of them were employed only for a few days.

Q. Some of them were employed only for a few days?—A. Yes, sir. They were not satisfactory or suitable men, and they were discharged, so I understand. My knowledge is entirely through the pay-list, which I pay. The time is made up by the time-keepers, and I pay the men, because the time-keeper certifies they have been there.

Q. Yes. Have you sufficient knowledge of the business of the department to know whether or not it was necessary to employ an additional 100 men in the month of October. It is a very plain, simple question?—A. Have I to answer that question?

*By Hon. Mr. Cassels:*

Q. Yes, I think you ought to tell us the whole of the facts. Tell us the reason?—A. I did not employ the men, my lord.

*By Mr. Watson:*

Q. Have you sufficient knowledge of the business of this agency to state whether or not it was necessary as a matter of business in the department that the 100 additional men should be put on for October?—A. No, sir, in my opinion it was not necessary.

*By Hon. Mr. Cassels:*

Q. Can you give us the number of men in October, 1907?—A. I will get you that my lord, I have not got it here now.

*By Mr. Watson: .*

Q. In your opinion it was not necessary, then it was not necessary. Then why were the men put on for the month of October?—A. I am afraid, sir, you will have to ask the agent that question.

Q. Have you any knowledge?—A. I have not.

Q. Have you any knowledge leading directly or indirectly to a conclusion in your mind as to why they were put on?—A. I suppose I have, yes.

Q. What is it?—A. Well, it has been customary for a great many years, ever since I have been in the service, to employ more about election time than at other times.

Q. I see. And how long have you been in the service?—A. I have been about 30 years in the service.

Q. About 30 years in the service?—A. Yes, sir.

Q. Do you mean to say that is the custom which has prevailed during that period of thirty years, is that right?—A. More or less, yes, sir. This department has not been in a position to employ as many men before this, of course.

Q. I see, just a matter of courage for each occasion, is it?—A. I don't quite gather.

Q. Let us see. How many you would have the courage to put on, is that right?—A. I did not put on any.

Q. You say you are properly getting from under responsibility?

Hon. Mr. CASSELS.—Mr. Tremaine had nothing to do with it.

Mr. WATSON.—Therefore, I say he is properly not responsible, my lord. That is what he says.

Hon. Mr. CASSELS.—Yes.

Mr. WATSON.—Then let us have the list?—A. As they were in August, September, October, November of 1906-7-8, is that what I understand?

Q. Yes, please.

Mr. WATSON.—That is all for the present, my lord.

PETER RYAN, sworn.

*By Mr. Perron:*

Mr. WATSON.—Mr. Tremaine, those men were paid on an average about what wages, a couple of dollars a day?

Mr. TREMAINE.—Laborers a dollar and a half a day, from that up.

Q. From that up to how much?—A. Probably \$2. That is for men, extra painters, and carpenters, anything of that sort. Laborers \$1.50.

*By Mr. Perron:*

Q. Mr. Ryan, what is your employment?—A. I help the masons, sir.

Q. How long have you been in the employment of the Marine and Fisheries Department?—A. About a year and eight months.

Q. You were there therefore in the fall of last year and winter of last year?—A. Yes, sir.

Q. You were in court this morning?—A. Yes, sir.

Q. The whole of the morning?—A. I was here this morning, yes, sir.

Q. Were you here when Mr. Lovett gave his evidence?—A. Yes, sir

Q. Now, please tell us where this block went?—A. Do you mean in the yard, or over the yard, or the place where it was taken from?

Q. You know what I mean?—A. I know the place where it was taken from, where it used to be.

Q. You know where it went?—A. Yes, it went to Mr. Baker or this man. I held the ladder while he got it down. Mr. Baker ordered this man up the ladder, I don't know his name—to pull this chain from aloft. I held the ladder while he came down. Mr. Baker got a team to pull it down to the bosun's locker. I haven't seen the block since. I haven't seen the block since. I don't know where it went.

Q. Who was the teamster?—A. I think he was a soldier chap, Harry—I don't know his other name.

Q. His name?—A. Harry.

Q. Was he in the employ of the Marine and Fisheries Department?—A. No, he worked for James McGraw.

Q. Is he still there?—A. No, sir.

Q. Where did you see him last?—A. The last time I seen him must have been five or six months ago, he was selling coal on the street.

Q. And since then you don't know where he has been?—A. No, sir.

Q. What time was this, when was this?—A. I almost forgot. I guess it must be about somewhere—

Q. What month?—A. I couldn't exactly say what month, I couldn't tell you

what month it was. I don't know whether it was in the summer. I know—let me see—it was something before last winter, it would be about March, I guess.

Q. Would it be December?—A. I couldn't tell you I am sure, sir.

Q. Now, you saw this Mr. Baker, is this the chief packer?—A. Yes, sir, the stevedore.

Q. He came in with a man unknown to you?—A. No. I was working underneath Mr. Baker.

Q. What is that?—A. I was working underneath Mr. Baker.

Q. He came in with a man unknown?—A. We were standing there, this man was working with me.

Q. What is his name?—A. I don't know his name.

Q. How long had he been working with you?—A. I guess three weeks.

Q. And you don't know his name?—A. No, sir. He was a stranger, he seemed to be an ex-soldier to me.

Q. How did you call him?—A. I most forget what he was called. It was Harry or George, I don't know which.

Q. You don't remember?—A. No, sir.

Q. What was the value of this chain block?—A. I have no idea.

Q. You don't know at all?—A. No, sir.

Q. Was it a large one?—A. Oh, no, it was a small one.

Q. You saw it going out?—A. On the team.

Q. Going out of the yard?—A. It never went out to my knowledge.

Q. Where did it go?—A. It went to Mr. Baker's locker. He has a locker where he keeps all his gear, in a little shack.

Q. Have you seen that chain block since?—A. No, not as I know of.

Q. You have never seen it since?—A. No, sir, not as I know of. I have seen half a dozen, it might be amongst them. I haven't taken particular notice of them. There is a lot of them there.

Q. Was that team working for the department at the time?—A. Yes, sir.

Q. Working the whole day?—A. Yes, sir.

Q. Doing what?—A. Hauling different things around, he was hauling cases I think from deep water up to the torpedo store.

Q. What have you seen besides, things being taken away?—A. I have never seen anything taken away.

Q. Eh?—A. I have never seen anything taken out.

Do you mean that, or have I seen anything stolen?

Q. Yes.—A. No sir, I have never seen anythiing stolen in my life.

Q. Never?—A. Never.

Q. Now, have you been in the stores often yourself?—A. Yes sir.

Q. Quite often?—A. Yes, quite often when I was sent on an errand.

Q. What were you doing there?—A. Mr. Baker sent me for a handful of nails now and then when making repairs around.

Q. Now, it was quite easy to take things out of the store and carry them away?—A. No sir.

Q. Not easy?—A. No, sir. Nothing I could see there to carry away easy.

Q. What about nails?—A. You could pick up a handful of nails.

Q. And brooms?—A. Birch brooms.

Q. Brushes?—A. I never seen any brushes.

Q. Have you seen anyone go out with brushes or brooms?—A. I never seen any taken out in my time.

Q. Not in your time?—A. Not in my time.

Q. Anybody could go out that pleases?—A. Not as I know of. I went out one day myself but was stopped. I had to go back and get a pass.

Q. Who was signing those passes?—A. Mr. Russell.

Q. The only one?—A. He is the only one ever signed for me.

Q. You never saw anyone else signing passes?—A. No one ever signed for me, only this one.

Q. That will do.

*By Hon. Mr. Cassels:*

Q. What is the value of the block?—A. I have no idea, your honour. It was just a small chain-block, one about that big, (indicating) I should judge. It would carry half a ton I should think. It was only one of the smallest kind.

W. N. SILVER, recalled.

*By Mr. Watson:*

Q. You are of the firm of W. & C. Silver, I understand?—A. That is right.

Q. Your line is dry goods, I think?—A. Yes

Q. And you have apparently had a considerable account too, Mr. Silver, with the department?—A. I have not made it up.

Q. I see it amounts to \$5,787?—A. In the three years.

Q. In the three fiscal years?—A. Yes.

Q. That seems like quite a lot of dry goods for just two ships. Is it just two ships?—A. No, Sable Island as well.

Q. Sable Island as well?—A. Yes.

Q. What did you have to furnish to Sable Island?—A. Well, clothing.

Q. Clothing for whom?—A. For the employees, I suppose.

Q. For the employees: Well, don't the employees buy their own clothes?—A. I couldn't tell you.

Q. Then, apart from clothing, is there anything else that you furnished there?—A. To Sable Island?

Q. Yes; that you recollect of?—A. Oh, there may be some other dry goods.

Q. I suppose the account you have in your book will show, will it?—A. Yes.

Q. Just look it up, please, and let us see.—A. The ledger won't show it. You will have to go to the day book.

Q. Have you got the ledger there?—A. Yes. There is no separate account for the different districts, Sable Island and the Department here, they are all in one account.

Q. Now, while the ledger is coming, take up the first account which I have here in my hand. I see December 21st, 1906, "overcoat for steward \$28," "overcoat for Canton" another for "Leach, \$28." Where were these men?—A. I couldn't tell you.

Q. Haven't you any idea?—A. No.

Q. Oh, I see, that is for the Aberdeen.—A. Yes.

Q. That is the Aberdeen?—A. Yes, we supplied a good deal to the Aberdeen.

Q. Are you wholesale or retail?—A. Both.

Q. These goods were sold at wholesale prices?—A. No, that is not customary in clothing, probably less than retail.

Q. Can you tell how that compares with ordinary retail prices?—A. I should say—

Q. Can you tell by looking at it?—A. Of course, the Department—

Q. Three overcoats \$28 each?—A. Yes. I don't know, it might be 10 per cent less.

Q. It might be 10 per cent more?—A. No.

Q. What?—A. No.

Q. Why is that? I ask you in view of evidence we have had here?—A. Because it is not, that is all.

Q. Who sent the orders in?—A. Those for the Aberdeen?

Q. Yes. Look at the front of it. There is a slip at the front, it indicates it is the Aberdeen apparently, that is the way I got it.—A. Yes, I see.

Q. Who would send the order in for that?—A. Probably the captain.

Q. Probably the captain?—A. Yes.

Q. He would come in and buy it retail?—A. Oh, he would have his orders from the Department.

Q. Yes. And then come in and buy it retail, the same as anyone else?—A. Well, the prices were all agreed upon, and tendered for the Department.

Q. Have you got a contract?—A. No, no written contract.

Q. Well, when did you arrange with anybody about prices prior to this time, December, 1906?—A. Well, the prices we probably arranged with Mr. Mitchell.

Q. With Mr. Mitchell?—A. Yes.

Q. Well, have you any recollection, Mr. Silver, of prices being arranged?—A. Not personally.

Q. So that you are not able to say that they were arranged?—A. Not personally but I know they were.

Q. Eh?—A. I know they were.

Q. Have you got any record of any arrangement made?—A. No, I think not, no written record.

*Hon. Mr. Cassels:*

Q. Are those ready made?—A. No, they are custom made, a uniform suit made to order.

*By Mr. Watson:*

Q. Uniform coat made to order?—A. They are suits, are they not?

Q. No. This is overcoat. Is that a uniform overcoat?—A. Yes.

Q. How many suits are they allowed in a year?—A. I don't know.

Q. Have you any knowledge, Mr. Silver, of the number of suits allowed?—A. No.

Q. Two or three I am informed is it?—A. I don't know.

Q. You don't know?—A. No.

Q. Have you any knowledge of suits being asked for or spoken about that are in accordance with the rules, that is assuming that the rules provide for two suits, two uniform suits a year, or it may be three, have you any knowledge of any official who would be entitled to the Departmental or official suit coming in to you and saying that he was so entitled, or saying to someone in the office that he was so entitled to the suit, but he did not require it, he would take another suit instead, a plain suit instead?—A. No, I have no knowledge of such a thing.

Q. Eh?—A. No, I have no knowledge of such a thing.

Q. Have you heard of such things occurring?—A. Not to my knowledge.

Q. Not to your personal knowledge?—A. No.

Q. Have you heard of such things occurring?—A. Elsewhere?

Q. Yes.—A. No.

Q. Or in your place?—A. No, I have not.

Q. I am not speaking of personal knowledge, has any information been coming to you, directly or indirectly, about such occurrences?—A. I don't remember of any.

Q. You don't remember of any, I see. These are in respect of the *Aberdeen*. Then do you distinguish between the prices charged on the different ships?—A. No.

Q. I mean to say is there a separate arrangement made for each ship?—A. No, I think not, not that I know.

Q. Eh?—A. No.

Q. Not that you know of. Who ordered the carpets and the tablecloths for the ship, the *Lady Laurier*, in 1906?—A. I couldn't tell you without turning the order up.

Q. Will you turn it up please, in your book?—A. Yes.

Q. The reason I ask particularly about it is this, just leading on to other things.—A. The order went up there.

Q. Look at the account of this, the *Lady Laurier*, I have a memorandum here prepared by the deputy minister for the accountant. 'Re accounts of W. & C. Silver. I have shown these accounts to the minister and he directs that a letter be written

both to the agent and to the captain stating that the articles purchased were altogether out of keeping with the boat. Brussels carpet at \$2.50 a yard—?—A. That is a mistake.

Q. 'And tablecloths at \$15 each are ridiculous, and you have to inform them if they incur any more expenditure of that nature without first having received the sanction of headquarters, both the agent and captain will be held responsible.' That is the 11th of May, 1906.

Then following that I see this further correspondence, a letter from the deputy minister to Mr. Parsons saying : 'I beg to return herewith an invoice received from Messrs. W. & C. Silver amounting to \$190.35, and to point out to you the excessive prices paid for the carpets for the steamer *Laurier*. The minister to whom this invoice was shown thinks the articles purchased were altogether out of keeping with the boat. Brussels carpet at \$2.50 and tablecloths at \$15 each are ridiculous. I am to inform you that if such expenditures are again incurred without the sanction of the department both you and the captain will be held personally responsible.' Have you any knowledge of that account?—A. Yes.

Q. Personal knowledge?—A. Yes.

Q. From whom did you get the order?—A. Well, I cannot answer that. I know we got the order.

Q. I would like to know the officials who gave you the order. Look in the book and see if the book shows?—A. The ledger would not show who the order was from.

Q. This correspondence is in May, 1906?—A. That would only show the amount of the entry.

Q. See if you pick it out in this, this would be May, 1906.—A. It is April.

Q. How much is it?—A. \$394.50.

Q. Perhaps that would include it?—A. In all probability.

Q. Are the particulars of it there?—A. We can get them.

Q. Just look and see, please. I want to know the name of the officer or employee who gave the order. I assume that when you got that order you knew it was for the steamship *Lady Laurier*, did you?—A. Yes.

Q. You knew that. And did you assist in picking out the goods?—A. No.

Q. Who did the selecting of the goods?—A. I fancy the officials, probably it was the head steward of the steamer, probably, or the purser.

Q. You do not recollect, eh?—A. No one in the warehouse would pick it out. It would be picked out by the departmental authorities, whoever they were.

Q. What I want to know is whether it would be like the case of any customer going in and getting a lot of assistance from your clerks, or someone there?—A. No, I think it was on his own responsibility.

Q. Helping them to make up their minds, that is part of the selling business?—A. Yes.

Q. Not to let them go out without making a purchase, and helping them to make up their minds to make it?—A. That is right.

Q. I want to know if that was the course pursued, if you can recollect, with the official from the department?—A. No. He selected those on his own responsibility.

Q. I see. That is what I want to reach. Then did you have in your mind at the time that this was very extravagant?—A. I thought it was.

Q. You thought it was, I see. Do you recollect making use of that expression to the official?—A. No, I was not present.

Q. Eh?—A. I was not present at the sale. I made no observation.

Q. When you observed it you then had in your mind it was very extravagant?—Yes, I thought so.

Q. You thought so, I see. Of course, it was not for you to say anything?—A. It was not our business.

Q. It was not your business to regulate it, I see. Following upon that is a letter from Mr. Tremaine. He calls himself in this 'Acting Agent' May the 21st, 1906. 'Referring to yours of the 16th inst—that is to the deputy minister, my lord—'

ferring to yours of the 16th inst. returning bills of Messrs. W. & C. Silver, amounting to \$109.35, pointing out the excessive prices for carpets, &c., for the *Lady Laurier*, I beg to return them herewith, and to explain that we were as much annoyed as the minister or yourself, and on receipt of the bills tried to arrange to return the goods which had been selected by the steward without consulting the captain. We found however that the carpet was in use and the table cloths had the fringe cut off one'—that is too bad to spoil a cloth like that—‘one end to make them into one large cloth for the saloon table, and Messrs. Silver would not take them back. We censured the steward, and will take good care nothing like it occurs again. There is no doubt the articles are worth the prices charged, but as you say they are out of keeping with the boat. The goods were only ordered on the strength of your letter of the 23rd November last, stating that the minister, you and Captain Spain found things on board in an unsatisfactory condition, and that Captain Johnston had been instructed to write to Commander Spain, resulting in your enclosed list.’ Was it Commander Spain then that turned up and gave the order along with the steward, would you recollect him if he had appeared?—A. I remember he gave orders.

Q. He gave orders, I see. And it may be that it was he who gave that order, you are not sure?—A. I am not sure.

Q. Well, have you got that?—A. I don't see any carpet charged in 1906.

Q. See if you find them here.” That is November, 1905. Probably it will be in here. I see here March, 1906, sailors' reefers, officers' reefers. Now, articles like those, sailors' reefers, officers' reefers, sailors' suits, and so on, those are sold at retail prices?—A. No, they are not retail articles at all. They are made especially for the department.

Q. Made especially are they?—A. Yes.

Q. Yes. And the percentage of profit that you had on those sales was about how much, the sales to the department?—A. Oh, just about the usual rate, probably a little less than retail.

Q. Yes, that would be about 30 per cent in the dry goods business?—A. Oh yes, I suppose.

Q. Perhaps a little bit more than that?—A. No, I think 33½ covers it.

Q. 33½ per cent profits, I see. Take this one of August, 1905, would that be the same way, ‘Captain's first suit, ordinary second suit dress, \$35.’—A. Frock coat probably.

Q. I see. ‘Six officers' suits, \$150. 14 officers' suits or P. O. suits,’ what is that, \$322? It costs a good deal to pay the bills, doesn't it?—A. Yes.

Q. I see that is certified by Mr. Johnston. Did he give the orders?—A. I think the orders came from the department.

Q. Rather than from the office here. I see Mr. Johnston certifies.—A. We never see the bill.

Q. Here is a different one, ‘30 yards of Wilton carpet, \$2 a yard.’—A. What is that for, the *Laurier*?

Q. Yes, but that is a different one.—A. Oh, no, that would probably be for the cabin.

Q. That is something else. This apparently has not been objected to, but it is not much less than the other.—A. One may be three-quarters wide and the other a yard wide.

Q. That is about the same proportion?—A. Yes.

Q. That is \$60 for the Wilton.—A. Probably what the call Brussels would be Wilton.

Q. Making, fitting and laying, \$10. So there is \$70 for the Wilton carpet. This is certified to by Mr. Johnston and Mr. Parsons. All of these apparently are certified to by Mr. Parsons?—A. Yes.

Q. That seems to be on the same line does it not, rather luxurious, don't you think so?—A. Very comfortable I should think.

Q. Yes, quite comfortable. Then perhaps this is the account here. This is the

account of December, 19, 1905, I thought I would find it. '19 yards of Brussels carpet, \$2.50 a yard.'—A. That would be a yard wide carpet.

Q. It would, eh?—A. Yes.

Q. 'Two hearth rugs, \$5 each, another two hearth rugs at \$3.75 each; 4 yards Brussels carpet at \$2.50; two tablecloths, \$30; 9 yards table'—something else—that is small.—A. Table linen.

Q. Table linen is it. '20 cheese cloths' or something like that. Now, this is certified to by Captain Johnston. Do you see here?—A. Yes.

Q. And certified to my Mr. Tremaine, do you see that?—A. Yes.

Q. And that was apparently certified to at the time the goods were received?—A. We never see those after they leave us.

Q. I see. So you get the money and you make no complaint?—A. No, as long as we get the money.

Q. As long as you get the money, I see. Well, apparently that is the way the account has been running with you. Did Captain Johnston speak to you about it at any time?—A. No, not at all.

Q. Did Mr. Tremaine speak to you about it at any time?—A. No.

Q. I see. Well, it appears after that when the Wilson carpets were sold, it is after that—well, these were furnished to the steamship *Lady Laurier*, and also to the *Aberdeen*, the *Aberdeen* accounts are about the same, I see?—A. Yes.

Q. Of course, on special goods like Brussels carpet and the like, the percentage of profit is quite considerably more?—A. No.

Q. Is it not?—A. No, about the same.

Q. You think the average would be about 33½ per cent?—A. Yes.

Q. I see. 33½ per cent. Then you occasionally have these officials come to see you?—A. I never saw them.

Q. Did they to your knowledge make any request for benefit, or get any benefit?—A. No.

Q. Any of them?—A. No.

Q. At any time?—A. Not at all, never.

Q. Eh?—A. Never.

Q. Never have?—A. Never have.

Q. Never have?—A. No.

Q. Has anything of the kind occurred in your business?—A. No.

Q. That is a little bit weak, that no?—A. Well, what do you wish me to say?

Q. I just want to find out about it?—A. We have never been asked for anything, and never given anything. That is square, isn't it?

Q. Yes, that is, thank you. Then what has occurred on that line, or approaching that way?—A. I don't understand you.

Q. Don't you?—A. No.

Q. What direct or indirect advantage have accrued to any of these?—A. Any of the officials?

Q. Yes?—A. Through us?

Q. Yes?—A. None.

Q. None?—A. None.

Q. Have you allowed their accounts to run along gently, easy, in that sort of way?—A. We allow accounts to go monthly, our accounts are sent out monthly for payment.

Q. They are sent out monthly for payment?—A. Yes.

Q. But have you allowed some accounts to run along in a gentle way, not crowded them too much, the officials from whom you were getting orders? Let us see them, please, Mr. book-keeper.—A. (Witness' book-keeper turns up ledger.)

Q. This is one of the accounts. This shows a current account with a balance of something under \$100. That is the agent. Then I suppose the fact is that with a place like yours, a retail dry goods store doing a considerable business, you have accounts more or less with a great many residents?—A. Yes.

Q. At credit have you?—A. Yes.

Q. That applies generally, does it?—A. Yes.

Q. Is there any special understanding with any of these officials?—A. No, none whatever.

Q. About?—A. About the payments?

Q. Or credit, or anything of that kind?—A. No.

Q. Not with any of them?—A. Just ordinary accounts, they come in like anybody else. Mr. Parsons, we have an account with him for 40 years.

Q. That is all right. Then unless matters have an appearance of being extraordinary, or unusual, my lord, I do not want to inquire into them, and these do not have any appearance of being unusual. That is distinct from this. That will do therefore, Mr. Silver.

Hon. Mr. CASSELS.—Do you want to go on later, Mr. Watson?

Mr. WATSON.—I told a gentleman here, Mr. McNab, that I would examine him. He is anxious to get away. If your lordship would sit a little longer.

Hon. Mr. CASSELS.—Well—

Mr. WATSON.—Then I will not call Mr. McNab, at the present time, and he need not worry unless we send him notice again. Will your lordship adjourn now?

Hon. Mr. CASSELS.—Very well.

(Adjourned at 5.20 p.m. to 10 a.m. to-morrow, December 3, 1908.)

HALIFAX, December 3, 1908.

GEORGE H. WATSON, K.C., and J. L. PERRON, K.C., appear as counsel assisting in the investigation.

GEORGE H. PARSONS, appears on behalf of Mr. Jonathan Parsons.

Mr. DAVIDSON.—My lord, may I address you before the court starts? I handed in a bundle of cheques to the court. I have made several applications to have them returned, but they are unable to find them. They are very important cheques, and I wish to have them returned to me.

Hon. Mr. CASSELS.—What is it, Mr. Watson?

Mr. DAVIDSON.—They cannot be found. I have searched everywhere.

Mr. WATSON.—My lord, this gentleman spoke to my learned friend and me two or three minutes ago. We told him if they are here we will have them handed to him.

Mr. DAVIDSON.—Pardon me, my lord, I applied for the cheques last Tuesday, not a few minutes ago; this is Thursday.

Hon. Mr. CASSELS.—If they cannot be found you do not expect me to give them to you, do you? I have not searched for them.

Mr. DAVIDSON.—I have asked Mr. Watson before appealing to you. I could not get any satisfaction from Mr. Watson, or the accountant.

Hon. Mr. CASSELS.—What is the name of your firm?

Mr. DAVIDSON.—The Halifax Salvage Company.

Hon. Mr. CASSELS.—We will have a search made.

Mr. WATSON.—My lord, directions have been given. Mr. Davidson spoke to me just a few minutes ago for the first time.

Mr. DAVIDSON.—I could get no satisfaction from you, Mr. Watson.

Hon. Mr. CASSELS.—It is no use continuing this discussion.

CHARLES R HOBEN, recalled.

*By Mr. Watson:*

Q. Then, Mr. Hoben, some of your supplies were for the *Aberdeen* as well, I believe?—A. Yes.

Q. For the *Aberdeen*?—A. I am not sure about the *Aberdeen*.

Q. Some for the *Lady Laurier*, and some for the *Aberdeen*?—A. Probably so, if they are billed that way.

Q. I find here a memorandum of July the 26th, 1906, in the original files from the department, stating as follows—see if it applies to your goods, I think it does—‘I am attaching account rendered by the agent at Halifax for kitchen supplies for the *Aberdeen*. It would appear that supplies are purchased without any rhyme or reason, and in wholesale lots. There is an item for two block tin boilers at \$7.50 each, two tea steepers at \$5 each, tin pans at \$1 each, coffee kettles at \$2.75, 12 steel saucepans, assorted, \$30. Fish kettles at \$6 each, steamers at \$4 each, meat pans at \$1.80, cake pans at 90 cents, and other articles that are high priced.’

Some of those purchased were from you?—A. I don’t think so.

Q. Are you sure about that?—A. I am as sure as I can be of any transaction that took place three or four years ago.

Q. Look at your book, and let us see.—A. I know I never supplied the *Aberdeen*.

Q. How would you account for charges such as those?—A. They are not my charges; I am sure those are not my books either, some of them are mine.

Q. I thought so?—A. These are mine, those are not.

Q. Do you find them there?—A. No. I sold no goods to the *Aberdeen*.

Q. Did you not?—A. I think not.

Q. You are not quite sure?—A. I am more than certain I did not, but if I did the invoices which you have would show it.

Q. How do you account for prices such as those? You are in that line of business. Tin boilers at \$7.50 each?—A. Well, I would not find any fault with that price unless I saw the article.

Q. Just a matter of inspecting the article?—A. I would like to see the article before I could tell whether it was a proper charge or not.

Q. Tin boilers, principally these are kitchen utensils?—A. Well, they might be large boilers.

Q. I see. It is possible you mean to say that boilers might be bought and sold that might cost that much?—A. Yes, and be reasonable in price too.

Q. I see, that is possible. And it is stated here in the memorandum that the purchases have been made without any rhyme or reason, and in wholesale lots. Have you any knowledge here of that condition of affairs, you as a merchant and dealer?—A. No, I find them very careful about purchases.

Q. What?—A. I find them very careful about purchases, so far as they did business with me.

Q. With whom have you transacted business?—A. My business has been chiefly with Mr. Mitchell.

Q. And you say you have found him careful as to his purchases, is that right?—A. Yes, sir.

Q. And as to the prices, about what profit have you had on these?—A. Oh, just a reasonable profit.

Q. A reasonable profit. By that you mean 40 to 50 per cent, along there?—A. I would not say that. I will tell you what my net profits are. I cannot tell what the gross profit is on each article I might sell.

Q. We are not seeking to inquire as to general sales, but just with regard to the goods sold and work done for this department. Leaving out the others can you say what the total profit is on such sales?—A. No, I could not.

Q. You cannot?—A. No.

Q. You cannot estimate it. Would you say it is less than 50 per cent?—A. Yes.

Q. You would?—A. Yes.

Q. Less than 40 per cent?—A. It is just about the average profit.

Q. 40 per cent?—A. No.

Q. What is the average profit?—A. I will give you my average net profit. I know that. I don’t know the other.

Q. You don't know the other?—A. No.

Q. How can you tell now that the profit on these goods sold to the department is in line with the profits on other goods sold?—A. Because I made it that way when I made the sales.

Q. You made it that way?—A. Most assuredly.

Q. The prices were not fixed beforehand?—A. Many of them were, more than half, three-quarters of the business I did was fixed beforehand.

Q. Fixed beforehand?—A. Yes.

Q. Now, here is the cheque that was spoken of last evening, was it not, March the 2nd, 1906, what does that refer to? The reason I ask particularly about it is that in the stub-book from which it is taken it is marked 'M. & Fisheries, ss. *Canada*'? A. That helps me to explain it a good deal.

Q. Yes.

Hon. Mr. CASSELS.—What date is that, Mr. Watson?

Mr. WATSON.—March the 2nd, 1906, my lord.—A. I wish I had my day-book.

Q. Well, is it not there?—A. My cash-book. (Refers to same)..

Q. Can you tell?—A. Yes.

Q. What is it please?—A. The cheque is drawn by my clerk on the 2nd of March, 1906, that is nearly three years ago.

Q. Yes, we know.—A. Two years and a half ago.

Q. Certainly.—A. Signed by myself. Well, in my cash book it is charged to merchandise.

Q. To merchandise?—A. Yes. That indicates it was for goods or labor. That is a matter of record. Now, following that back to the stub, it is evident from the stub—

Q. Cannot you trace it anywhere else in the book?—A. Nowhere but on the stub and in the cash-book.

Q. And the cash book merely contains the entry 'merchandise'?—A. Yes.

Q. Otherwise you cannot explain what it is for?—A. Yes, I think I can explain what it is for, but I am first of all explaining the record of the thing.

Q. You have spoken about that.—A. Now, coming to the cheque book, it is evident it was for materials or labor supplied to the steamship *Canada*. It is all as clear as can be.

Q. What is as clear as can be?—A. The record.

Q. Well, can you tell what merchandise it is?—A. Well, I think I know what it is, but that has to be a matter of memorandum; this part I know to be so is a matter of record.

Q. Well, I may be mistaken about the account, but I cannot find any item of merchandise supplied to the steamship *Canada*.—A. Cannot you?

Q. No.—A. Well, I will show you.

Q. See if you can.—A. Here is a bill against the ss. *Canada*.

Q. About that time?—A. Yes.

Q. That is December the 31st, 1905?—A. And January

Q. And January the 7th, 1905, \$121?—A. Yes.

*By Hon. Mr. Cassels:*

Q. This cheque is not for merchandise.—A. It is entered in the cash book that way.

Q. I know, but it is your own cheque. How would that be for sales to the Department?—A. It is to pay for merchandise I bought for the department.

Q. You say you did.—A. I did, your Honor.

Q. You mean that was to purchase elsewhere for supplies which you subsequently sold to the department?—A. Yes. The cheque was cashed by ourselves in the bank.

*By Mr. Watson:*

Q. Cashed by whom?—A. Ourselves.

Q. Of course, you have no recollection of it?—A. My reason is that if cashed by anybody else it would be endorsed.

Q. We have not found it to be so.—A. That is the habit in the bank.  
Q. We have not found it so.—A. I think you will find it in my cheques.  
Q. In all cases?—A. Yes.  
(Cheque marked Exhibit 399).

WITNESS.—That is the merchandise column on my cash-book. (Exhibiting same to his lordship.)

Q. What is the date of that entry there?—A. It is the same date.  
Q. The same date entered.

Hon. Mr. CASSELS.—March the 2nd. It is entered 'Merchandise Marine and Fisheries, \$30.'

*By Mr. Watson:*

Q. You observe that is just an even \$30?—A. Yes. I wanted money from the bank for merchandise, and I would draw an even amount that way.

Q. Do you recollect you did it?—A. I know I would, it is my habit and practice. I know what I do.

Q. I see. I am not able to trace that up in the accounts of the Marine and Fisheries Department at all. In the whole file, my lord, we have not anything to correspond to it.

*By Hon. Mr. Cassels:*

Q. This book on its face would show a credit of \$30, \$30 received?—A. Oh no, \$30 paid out.

Q. Is this side the paid out side?—A. Yes, sir; the other is received.

Q. Which is the other?—A. The left side is the amount received.

Q. The debit?—A. Yes. I debit what I receive.

Q. You debit what you receive?—A. To cash account and—

Q. And credit what you pay out?—A. Yes.

Q. This would show the disbursements?—A. Yes.

Q. That is the idea. I see you charge on this side expense account, car fare?—A. Yes, that was paid out, that did not go into the merchandise account.

*By Mr. Watson:*

Q. At all events that is all you can say about it now?—A. I can say something more about it, but it will be a matter of memory.

Q. Do you mean a matter of reasoning, or a matter of recollection?—A. It is a matter of memory, so far as my memory can serve me, and I have a pretty good memory.

Q. Well, if there is anything you want to say, say it.—A. I want to say that just previous to this we did some tile work in the steamship *Canada*, we laid some of the tiles and supplied new tiles, and employed a mason, and he supplied me with cement. He would not be a regular account, and when he would come in for his money I would pay it out of cash.

*By Hon. Mr. Cassels:*

Q. These were purchases to fill the contracts which you had with the Marine Department?—A. Yes, there is no doubt at all.

*By Mr. Watson:*

Q. Then with what officials did you come into communication apart from Mr. Mitchell?—A. I am acquainted with all the officials practically.

Q. In connection with accounts, what officials did you have communication with?—A. That is in connection with the payments?—A. In payment of the accounts.

Q. Yes. And receiving the orders?—A. The orders came. They would be delivered sometimes by Mr. Picking's and sometimes they would be delivered by—mostly by the messenger, but once in a while—

Q. Did you solicit orders?—A. For the last two years I don't think I solicited an order. I might have solicited once or twice in two years.

Q. One or two years?—A. For the last two years I have not been around the Marine and Fisheries Department at all.

Q. You have been getting orders?—A. In 1907; only \$167.

Q. Then it was your own application, or the intervention of someone else that secured the orders for you?—A. I was aware that my name was on the patronage list.

Q. I suppose so. But apart from that?—A. Apart from that I had no assistance or influence.

Q. Apart from that?—A. No.

Q. Apart from that when you knew work was required, or materials required from time to time, did you make application for favours?—A. No, I did not.

Q. To anyone?—A. I occasionally would ask them to send me any orders I was entitled to.

Q. Ask whom?—A. The department.

Q. Did you have any communication with any one else except in the department?—A. I don't think I did.

Q. You don't think so?—A. Not with reference to the trade in the department.

Q. So that you are not quite sure then?—A. I am quite sure.

Q. Quite sure?—A. Yes.

Q. Then you used to meet Mr. McNamara?—A. Well, occasionally I would meet him.

Q. And some other officials?—A. I met all the officials in the department.

Q. And I see Mr. McNamara certified to some of your accounts?—A. I have no doubt.

Q. Now, what advantages did any of the officials get from you?—A. None whatever.

Q. Eh?—A. None whatever.

Q. Did you contribute anything?—A. To whom?

Q. Any of the officials?—A. No.

Q. Do you wish it to rest at that, that nothing was contributed by you at all directly or indirectly to any of the officials?—A. To my knowledge I will say that positively.

Q. To your knowledge. Then who would have knowledge if you have not?—A. I think I would have it.

Q. Is there anybody else in your store or shop that would do so?—A. I don't think so.

Q. You don't think so?—A. I feel sure.

Q. Who is the other person?—A. There is no other person would do it.

Q. Why do you say you don't think so?—A. I will say it in whichever way you wish me to.

Q. But who has partial charge under you?—A. Frank H. Stewart is perhaps the next name. He is the next man who would have more influence than anybody else down there.

Q. Frank H. Stewart?—A. Yes.

Q. Now that will do. Will you ask Mr. Stewart to come up here after luncheon?—A. I will. Are you through with me?

Q. Just leave those books until the afternoon when Mr. Stewart is here.

JOHN BAKER, sworn.

*By Mr. Perron:*

Q. Mr. Baker, you are in the employment of the Marine and Fisheries Department?—A. Yes.

Q. How long have you been there?—A. About since 1907.

Q. In what capacity?—A. I beg your pardon.

Q. What is your occupation?—A. Stevedore.

Q. What month in 1907 did you get in there?—A. January.

Q. January, 1907. Now, in your capacity of stevedore you are responsible for the goods there?—A. No.

Q. There on the wharf?—A. No.

Q. You are not. In the shop?—A. In no part of it.

Q. Eh?—A. I am not responsible for anything in the shop, only anything I am handling, anything heavy. If I break it I am responsible for it.

Q. What are you handling?—A. 25 ton arrangements, 19 and 14, all heavy work.

Q. You are supposed to assist Mr. MacNamara too?—A. I am supposed to assist him.

Q. In the store?—A. Not in the store, in fact anywhere he has got a job for me.

Q. You are his assistant?—A. Yes, I am his assistant.

Q. You have control over the men there?—A. Yes.

Q. You are a foreman there?—A. I am foreman over the men.

Q. You were in court yesterday?—A. Yes.

Q. You heard Lovitt's evidence?—A. I heard him, yes, sir.

Q. Well, what has become of this chain block?—A. Chain block

Q. Yes.—A. I have got it.

Q. Where is it?—A. In the yard.

Q. Where?—A. In the storehouse.

I keep my working gear.  
Q. How long has it been there?—A. It has been there since, well, it is in and out all the time. These are articles I have used, this is my gear I do my work with.

Q. When did you bring it back there?—A. It is always there.

Q. You took it away from the shop?—A. This block now you are talking about, this is the block Mr. Lovitt referred to, that block ain't in there. Mr. MacNamara will tell you all about that block.

Q. You will tell us?—A. I would just as soon leave it to Mr. MacNamara.

Q. I have to ask you?—A. Your lordship, have I to answer the question about this block?

*Hon. Mr. Cassels:*

Q. If you are able to?—A. I am able to.

Q. Go on.—A. This block is out in the graveyard. There was a man to be removed out of a grave, I think he weighed about fifteen hundredweight, that is coffin and all, a concrete coffin. So they came in to borrow, they came to Mr. MacNamara to loan it, and he loaned it to these people. It is out there now at the present time.

*By Mr. Perron:*

Q. When was that?—A. I think that was about a fortnight ago.

Q. You think that was about a fortnight ago?—A. Yes. Probably it would not be that long. Anyway, I judge that long.

Q. Well, what did you do with it the day you took it away from the shop where it was?—A. What did I do with it?

Q. Yes.—A. I put it on the team.

Q. Out where?—A. Out where it was going, to the graveyard.

Q. I mean a year ago?—A. I took it for use for myself to do work through the yard. Understand, I used this for my own work. I had to have this block to use. I have several of them.

Q. I know that. Now, Mr. Baker, you came in there, and took this block away from the shop where Lovett was working, you remember that?—A. I remember, yes.

Q. You remember the occasion?—A. I remember, yes.

Q. Who was working for you that day?—A. I had a navvy with me, Ryan, one of my navvies, I had him with me.

Q. Peter Ryan?—A. Yes. I had another man, I don't know whether Mr. Walter Ferguson or not, I couldn't say.

Q. Walter Ferguson?—A. Yes.

Q. Did you have James Foston with you?—A. I might have. I have so many I don't know half of them.

Q. You know James Foston?—A. Yes.

Q. Was he there with you that day?—A. He might have been.

Q. Now, who was the carter?—A. The carter?

Q. You had a team?—A. Yes.

Q. Who was driving the team?—A. I don't remember.

Q. Well now, on that date, this chain-block went out of the yard?—A. Not to my knowledge.

Q. Well now, Mr. Baker, didn't it go out of the yard?—A. Never sir, out of the yard. Only upon this occasion I am telling you about.

Q. I am not talking about that.—A. You were talking before, when I first took it?

Q. Yes.—A. That remained in the yard to do my work with.

Q. It remained with yourself after you took it?—A. No.

Q. You never used it before?—A. No, until I took it. I have been using it right along since.

Q. Now, what is kept in the stores there?—A. Which stores?

Q. The stores of the department?—A. I could not rightly know. I haven't much dealings with the stores, not in my line of business.

Q. You are in there quite often?—A. I am in there quite often.

Q. What goods?—A. All kinds of lighthouse materials, supplies for the lights they use.

Q. Brooms?—A. Oh yes.

Q. Well now, who is taking goods out of this store?—A. I could not say, sir.

Q. And selling them outside?—A. I could not say. I have no recollection of anybody.

Q. You know it is done?—A. No, none done to my knowledge.

Q. Have you heard of it?—A. No, I never heard anything like it being done until what I heard here in court.

Q. I am not talking about what you heard in court at present. Have you seen goods taken out of the shop?—A. No.

Q. And distributed about town?—A. No; because it would be up to me to report if it was.

Q. I know. Did Ryan or Lovett speak to you about this block?—A. No. They had no business to speak to me about this block. They come under me and had no business to interfere with my gear. These people are working under me, they have no right to interfere or know what I know.

Q. Did they ask you?—A. No.

Q. Did anybody speak to you?—A. No, they had no business.

Q. Are you building a house?—A. No, not at present.

Q. Have you built one?—A. No, never.

Q. You never did?—A. I never built a house.

Q. That is all.

Isaal CREIGHTON, sworn.

*By Mr. Perron:*

Q. Mr. Creighton, you are one of the members of the firm of I. Creighton & Co.?—A. I am. There is only myself, there is no other.

Q. You are the sole partner?—A. Yes, sir.

Q. What business are you in?—A. General business, groceries.

Q. Groceries, meats?—A. Meats, yes.

Q. You have your books here?—A. Yes.

Q. Will you let us have them, please. (Witness produces books). Now, what books have you there?—A. I have got the ledger.

Q. Your cash-book first.—A. And the cash book.

Q. Cash-book. And then your ledger. What is the other book?—A. It goes back further than that one.

Q. Two ledgers?—A. Yes. That is from 1906, and this is from 1904.

Q. You have your cheques since then?—A. 1906. There are a few in the bank.

Q. How far do your books date back?—A. This one I think dates back to 1904.

Q. 1904. Let us see that now. Where are the cheques for 1904?—A. I haven't got them.

Q. Where are they?—A. Well, we destroyed them, at least she put them in the waste basket.

Q. They were destroyed. When was that?—A. I don't know how long it is ago.

Q. Who destroyed them?—A. The girl that keeps the books.

Q. Your bookkeeper?—A. Yes.

Q. Who told her to destroy the cheques?—A. No person.

Q. Now, Mr. Creighton, I see that you have been selling to the Department of Marine and Fisheries?—A. Yes, sir.

Q. For a large amount?—A. Oh, not very large.

Q. Well, \$7,000 during those three years?—A. I guess so. Whatever the books say, I don't know.

Q. You have no idea yourself how much you have sold?—A. Oh, I cannot tell, only by looking at the books.

Q. Without looking at the books you could not tell?—A. No. My memory is pretty bad now, I am getting pretty old.

Q. You have no idea at all?—A. No, I couldn't tell you exactly.

Q. Now, you are selling to the steamers, are you?—A. Yes, most I sold to is the *Laurier*. I have sold a little to the others.

Q. To the *Curlew* also, the steamer *Curlew*?—A. There might have been, I couldn't tell you, it is a little boat isn't it?

Q. She is not a little boat, she is a big boat?—A. I cannot remember. It is a long time.

Q. Now, who gave you orders?—A. I got the orders in the office.

Q. But who went to your store to choose the goods?—A. They just telephoned up they wanted certain goods, and we sent them down and got the order.

Q. But you have seen none of the employees at your store —A. I have not for a good while.

Q. Oh, I mean when you were selling these goods?—A. No, they never come up to select them.

Q. They never came to your store?—A. Not to select.

Q. Did they go to your store?—A. I never seen them.

Q. Eh?—A. The steward I think once or twice.

Q. Who is he?—A. McDougald.

Q. The steward of the *Laurier*?—A. Yes.

Q. Is he the only one you saw?—A. The only one I saw.

Q. Who else?—A. Nobody.

Q. Who was taking the goods and choosing them?—A. You see the goods were meat and groceries.

Q. Yes, I know.—A. Well, they would not need to come to select groceries.

Q. I am not asking you that. I am not asking you whether they would need to come. I am asking you whether they went to your store?—A. Nobody.

Q. Except this one during the three years?—A. Yes.

Q. And during the purchases amounting to \$7,000 you saw the steward twice only?—A. I might have seen him on the street or in the office.

Q. I am talking to you about your store?—A. All right. I am talking about the store.

Q. Well, everything was ordered by telephone?—A. No. They telephoned up they wanted certain goods down, and we sent them down, and then very often we went down and got the order at the ship.

Q. You got the order at the ship?—A. Sometimes at the ship, and sometimes—  
Q. Sometimes where?—A. I don't know any other place, just at the ship.

Q. That is what I want to know. Then you got orders at the ship?—A. Yes.

Q. Would you go yourself for the order?—A. Yes.

Q. Who was there when you went?—A. I have seen the steward and—  
Q. The steward. He has given you orders?—A. Yes.

Q. And who else?—A. Well, I don't remember all the ship's crew you know.

Q. But you must remember who was giving you the orders, surely?—A. The orders were made out in the office, understand me.

Q. Mr. Creighton, please, just one second. You said a minute ago that you went down to the ship to get orders?—A. Yes.

Q. I want to know from you now who was giving you those orders when you went down to the ship?—A. Well, the steward handed me a paper of the orders written all out.

Q. You would speak only to the steward, he would be the only one who would give you orders?—A. Yes.

Q. You never got orders from anyone else?—A. Years ago I used to go down and Mr. Tremain or Mr. Mitchell, the orders would be written out there right in the office.

Q. But most of the time?—A. No.

Q. How many years ago, you say a few years ago?—A. Two or three years ago, three or four years ago.

Q. All your sales are two years ago, the sales we are speaking of now since 1904?—A. Yes, that is about four years ago.

Q. Well, in 1904, who gave you the orders?—A. I cannot—

Q. One second. Whom did you see in connection with those orders?—A. I went down to the office, and I seen Mr. Mitchell. Mr. Mitchell I don't think was there at the first part of the order.

Q. Did you go to the office or to the steamer?—A. I went to the office then.

Q. You got orders from the office, and not from the steamer?—A. I got the orders then from the office, but I was wishing to explain their orders were all written in the office.

Q. I want to know from you this, it is a very simple question: Did you get your orders from the office in 1904 or from the steamer?—A. As far as I am able to say they were got then in the office altogether.

Q. In the office?—A. Yes.

Q. You never went to the steamer in 1904?—A. I don't remember.

Q. You don't remember?—A. I don't remember.

Q. Now, did you go to the steamer in 1905?—A. Well, I could not say.

Q. You could not say?—A. No.

Q. You do not remember at all who gave you orders for 1905?—A. No.

Q. No recollection?—A. Just as I explained.

Q. Do you remember, please?—A. The orders were all written there, and he handed me the orders.

*By Hon. Mr. Cassels:*

Q. If you don't remember, just say so.—A. That is all right then.

*By Mr. Perron:*

Q. You do not remember. In 1906 who were dealing with you then, who would give you orders, and who would see you in connection with orders?—A. I told you they telephoned up if they wanted orders and said they wanted certain things. I went down and got the order.

Q. Whom did you see when you went down? That is precisely what I want

to know?—A. I told you I saw the steward, and I very often went into the office and saw Mr. Mitchell or Mr. Tremaine.

Q. Or Mr. Tremaine. Now, are you a wholesale or retail dealer?—A. I am retail.

Q. A retail dealer. I presume your best customer was the Department of Marine and Fisheries, in 1904, 5 and 6, your largest?—A. Well, I—

Q. There is no doubt about that, Mr. Creighton?—A. I don't know exactly whether the largest or not.

Q. Let us find out about it.—A. The book will show you.

Q. Well, here are your books. I want to know whether or not the Department of Marine and Fisheries was your largest customer for 1904, 5 and 6. Can you tell me? Have you got to look into your books?—A. The ledger will tell you.

Q. Oh no, am not going to go over these ledgers.—A. I am trying to look for you.

Q. You know Mr. Creighton?—A. I could not say.

Q. Well.—A. I could not say positively.

Q. Have you any doubt about it that the Department of Marine and Fisheries was the largest customer that you had for 1904, 5 and 6, and the best customer?—A. Well, we will say it was.

Q. We will say it was. Now, why did you charge to the Department of Marine and Fisheries about 20 per cent more than to others?—A. I did not charge them any more, I did not charge them any more, I did not charge them so much in heavy articles, I did not charge them so much as I did other people.

Q. Can you mention one article?—A. For instance sugar.

Q. Barrels of sugar?—A. Barrels of sugar. I put in heavy articles, what we always allowed to them if half ways betwixt retail and wholesale, a good many heavy articles. Light articles we sometimes got more, and a great many articles we could not, because we had—

Q. Now, Mr. Creighton, that is right.—A. I was just going to say—

Q. Mr. Creighton, that is right. My information is that your prices were at least 20 per cent higher to the Government than to anybody else.—A. It is not so.

Q. It is not so?—A. No.

Q. How much were they higher?—A. Well, from 20 to 25 per cent higher.

Q. Higher?—A. No. That is the whole thing, not higher or lower, just 25 per cent on what I sold.

Q. You mean your profit?—A. Profit.

Q. 25 per cent throughout?—A. From 20 to 25 per cent.

Q. This would be your profit?—A. That would be our profit.

Q. Well now, take meat for instance, the meat you have been selling. Now, were the prices fixed beforehand?—A. Yes.

Q. They were?—A. Yes.

Q. By whom?—A. By Mr. Parsons.

Q. By Mr. Parsons?—A. Yes.

Q. Did you have any written contract?—A. No. Will you allow me to explain.

Q. No you will explain later on. Did you have any written contract with Mr. Parsons?—A. No.

Q. Nor with anybody else?—A. No.

Q. So you were simply shipping goods, delivering them, and sending your accounts?—A. Mr. Parsons made an arrangement with all of them that was supplying at so much for meat, so much for poultry, and so much for other things, and if we bought poultry—

Q. I beg your pardon. When did he make this arrangement with you?—A. I think about three years ago.

Q. You think about three years ago?—A. Yes, I think so.

Q. It cannot be. You supplied goods in 1904, you had no arrangement then.—A. It is about that time they made the arrangement.

Q. Is it three years ago you said?—A. I could not tell you exactly. You cannot expect me to remember a thing like that. I don't see why you ask questions like that.

Q. You do not understand why?—A. No.

Q. Let us go on all the same. You stated you had made an arrangement with Mr. Parsons three years ago for the prices. Now, what about 1904, you had no arrangement then?—A. I cannot tell you.

Q. You cannot tell me?—A. No.

Q. Now, this arrangement you made three years ago, is it still in force?—A. No. The meat part of it, they asked from Ottawa to get a tender for the meat and some other articles.

Q. When was that?—A. Last year I think.

Q. Last year?—A. I think it was this year, some part of this year.

Q. Up to last year there were no tenders, but for this year they have received instructions from Ottawa to ask for tenders?—A. Yes.

Q. Then of course you had to sell lower?—A. No, we did not get it.

Q. You did not want to go any lower, and you did not get it?—A. We did not get meat and certain things, they asked us to tender for meat, and a lot of things they wanted tendered for.

Q. Now, what about the groceries, did they ask for tenders?—A. No. Some things they did in the groceries, but some things they did not.

Q. Now, Mr. Creighton, will you show me the accounts of the employees of the department unpaid?—A. The employees of our department?

Q. Yes?—A. Oh, there is just—

Q. Let me see the account, will you?—A. (Turns up book.) That is one. (Indicating.)

Q. Now, you were showing me an account of Mr. Parsons?—A. Yes.

Q. J. Parsons?—A. Yes.

Q. This is the agent of the department here?—A. Yes.

Q. I see that this ledger is brought from another one?—A. Yes, that other one.

Q. December 31st, 1906?—A. Yes.

Q. How long has this account been running?—A. Well, the other is in the other book. There is a small account and he paid so much on that.

Q. Well, what about this 1906?—A. You can see it here, I guess.

Q. Do you send monthly accounts?—A. Yes, generally.

Q. Generally. Why did you not send accounts in this case?—A. Well, we have. He has got an account every month—I am not certain.

Q. You are not certain?—A. No. The book-keeper looks after that.

Q. Why did you not collect?—A. We did collect, he paid \$10.

Q. I mean since 1906, why did you not collect from him?—A. Well, I asked him for it a good many times.

Q. How many accounts have you got in your books running since 1906?—A. A lot of them. If you turn over that you will see about 50.

Q. Let me see one of them?—A. I wish there was only one. (Turns up ledger.)

Q. They are paying right along?—A. No, some of them are not; we cannot get it.

Q. Why?—A. Perhaps they have not got it.

Q. Don't mention names, I am not asking you the names. Just show me one account?—A. (Turns up ledger.) There is one account. (Indicating.)

Q. Oh, he has been paying on account, he paid in 1908?—A. He might have paid a little on account, but there is lots of them have not paid a cent.

Q. He is paying right along?—A. There is another one. (Indicating). And we have not got anything from him.

Q. He is also paying right along?—A. Not paying anything now.

Q. But he paid this year, February?—A. I can give you any amount of accounts that have not been paid a cent on. (Turning up ledger.)

Q. Where is it?—A. If you will give me a little time to go over them.

Q. Certainly?—A. If I had known you were going to ask me that question I would have had them looked up before I came down.

Q. As a matter of fact Mr. Creighton, unless a man is utterly insolvent, you do not let his account run for two years?—A. Oh yes.

Q. Unless the man is utterly insolvent and unable to pay?—A. Yes, a great many times.

Q. But they pay you right along, they paid something on account?—A. No, they don't pay a cent.

Q. Do you mean to tell me now that if a man is well able to pay you you let his grocery account run for two years without getting a cent from him?—A. I have often done it.

Q. Why?—A. I don't know. I suppose it is a little careless in not looking after the account.

Q. Mr. Parsons is well able to look after his account?—A. No, he is not.

Q. So you say. That is the reason?—A. I say the man is not able to pay. If he had been he would pay every cent here.

Q. Besides this account of Mr. Parsons let me see the other accounts of other employees?—A. It don't amount to much. (Turns up ledger.)

Q. Who are they?—A. Can you give me the names without going over the whole ledger?—A. I think it is a small account of Mr. McDougal's.

Q. What is he doing?—A. Steward.

Q. Steward on board the *Lady Laurier*?—A. Yes.

Q. Let me see the account.—A. Yes. It is a small one. (Turns up account.)

Q. J. McDougal. Is that at page 408?—A. Yes.

Q. Oh, you had it marked yourself?—A. Yes

Q. Oh, oh. About \$14?—A. Yes.

Q. And why did you not collect from him?—A. Well, I think that—

Q. Is he unable to pay also?—A. No, sir, I don't say that.

Q. Why did you not collect?—A. He promised to pay it.

Q. When did he promise to pay it?—A. I don't know exactly what time it was.

Q. Well, when was that, you must remember.—A. I could not tell you, I don't remember.

Q. You don't remember?—A. No.

Q. You don't remember when you asked him to pay you?—A. No.

Q. And you have let that account go for over a year now, pretty nearly two years?—A. No.

Q. Well, February, 1907. What about that? He is the steward of the *Lady Laurier*, that is the reason?—A. No, sir, it is not.

Q. If he was not the steward of the *Lady Laurier* you would have collected long ago.—A. Perhaps I would, perhaps I would not.

Q. Let us put aside the perhaps. If he was not the steward of the *Lady Laurier*, you would have collected long ago from him, Mr. Creighton?—A. I do not say I would.

Q. You do not say that you would not?—A. I say that we let accounts pass, not only him, but a great many people.

Q. That is not an answer to me.—A. Ask the question.

Q. The fact is he is steward of the *Lady Laurier*.

*By Hon. Mr. Cassels:*

Q. Is it not because you are getting favours, orders through him?—A. No.

Q. Is it not? That is the question you are asked.

*By Mr. Perron:*

Q. Is it not the fact that if he was not the steward of the *Lady Laurier* you would have collected long ago?—A. I don't know what I would have done.

Q. But you know what you have done in this case, you have not collected?—A. I am not certain whether it is paid or not

Q. Oh, you are not?—A. No. He may have paid, but it is not shown there because only once a month or so—

Q. Has he paid?—A. I don't know.

Q. You do not know whether he has paid or not?—A. No, I could not swear whether he has paid or not.

Q. You cannot swear to your books?—A. No.

Q. Your books are badly kept?—A. We make up the books at the end of the month, and those paid are marked in the ledger paid.

Q. Has he paid this month?—A. I don't know.

Q. Did you look for it?—A. No.

Q. You will have to look for it. I will have to call you again. I want to find out. If you tell me he might have paid I must find out.—A. I will find out.

Q. Let me see the other accounts besides Mr. McDougal's.—A. There is Captain Johnston's.

Q. Where is it?—A. (Witness turns up ledger.)

Q. It is not in the index. You told me that Captain Johnston has an account?—A. Yes.

Q. It is not indexed.—A. In the book I think you will find it.

Q. Where is it please? It is not in the index, that is not marked in the index.—A. I don't know.

Q. Who would know, your book-keeper?—A. It is you mean—

Q. Cannot you find his account?—A. I did not say it is there.

Q. What?—A. Anyway, I will answer your question.

Q. No. Let us have the account, and then we will talk afterwards.—A. (Witness again refers to ledger.)

Q. Hard to find?—A. I cannot see it just at present.

Q. Where is it?—A. It is in the book. I saw it this morning.

Q. It may be in the other ledger perhaps. Look at the other ledger. That is not the ledger you have been looking at. Look at the old ledger.—A. (Witness turns up ledger.)

Q. You cannot find the account?—A. I saw it this morning.

Q. How came you to see it this morning?—A. I told him to put in papers in the accounts.

Q. All the accounts of the employees?—A. Yes.

Q. How many?—A. Three. The two I gave you and Mr. Johnston's.

Q. How many others have you got that are not indexed?—A. I don't remember any.

Q. You don't remember?—A. No.

Q. Well, how many of your customers are there whose names are not in the index?—A. I don't know.

Q. You don't know the reason why his name is not in the index?—A. I know it is in there.

Q. In which ledger, this one? If you saw it in this one you remember which ledger it was. Was it this one or that one?—A. I think it was the big one.

Q. The big one?—A. I thought so.

Q. It is an old account dating back how many years?—A. It is not an old account.

Q. How many years?—A. Not more than two years.

Q. Not more than two years?—A. No.

Q. So you call that a fresh account?—A. Yes.

Q. Now, how much has he paid during those two years?—A. He got some vegetables, some potatoes.

Q. That is not an answer to my question. I am asking you how much Mr. Johnston has paid during these two years?—A. He paid me \$22.

Q. Out of how much?—A. That is the whole of it.

Q. It is paid then?—A. It is all paid.

Q. Have you got your cash book there?—A. Yes.

Q. Then let us have the entries showing the payments.—A. (Witness turns up cash book.)

Q. When did he pay you?—A. (Witness hands cash book to counsel.)

Q. You show me now your cash book, and that Captain Johnston paid you on November 27. A. He wanted some more potatoes.

Q. I am not asking you that.—A. I am telling you the question.

Q. Is that it, November 27?—A. Yes.

Q. Yes. Now, how long before had this account been in your book, how many years?—A. Well, it was just last year and this year, there were two lots of potatoes.

Q. You told me two years ago. Was it two years, three years or four years? You are telling me last year; a few minutes ago, four years. Which is right?—A. You are mistaken. I told you then that Mr. Johnston had potatoes.

Q. I am not asking you about that. How far back is this account?—A. It will be two years.

Q. He did not pay you anything on account during these two years?—A. He paid those two lots of potatoes all at once, and he ordered another lot. That is exactly how it is.

Q. During these two years you did not get anything from Captain Johnston?—

A. No

Q. Is he unable to pay also?—A. No.

Q. Why did you not collect from him?—A. Well, we don't collect from anybody we think will pay. We get it right along.

Q. Why did you not get it from Captain Johnston?—A. Because—

A. Because what?

Q. Because he is in the employ of the Department of Marine and Fisheries?—A. No sir, nothing to do with the matter at all.

Q. Nothing to do with the matter at all. Do you say that now?—A. I do sir.

Q. Do you swear that if?—A. Yes.

Q. You swear—you do not know what I am going to ask you.—A. I swear it has nothing to do with him at all.

Q. Do you swear now if Captain Johnston had not been in the employ of the department you would not have collected from him during those two years?—A. Which?

Q. That is my question.—A. One moment, until I just tell you. He got one—

Q. Just answer my question.—A. He got one load of potatoes—

Q. Just answer the question.—A. He got the second load and paid the two together. That is it.

Q. Do you think this is an answer to my question?—A. I think so.

Q. Now, let us try again. Will you swear that if Captain Johnston had not been in the employ of the department you would not have collected from him during those two years?—A. Well, the thing is just this, if I had asked him for it I suppose I would have got it. The moment I asked I got the whole thing.

Q. Do you think this is an answer to my question?—A. I think so.

*By Hon. Mr. Cassels:*

Q. The fact is you thought you could get it whenever you wanted it?—A. Yes.

Q. You did not care for the money, and did not ask him?—A. I did not ask him. The moment I asked him—

Q. You were so full of money during two years, you did not ask him?—A. It was not that at all.

Q. Is it not the fact you did not ask him simply because he was an officer in the Marine and Fisheries Department?—A. I would not swear anything about that.

Q. Is not that the fact? It is too palpable. I would have thought it was too plain.

Mr. PERRON.—Of course, that is so, Mr. Creighton, of course that is so. Why not finish with it?

Hon. Mr. CASSELS.—I do not think you need bother further about it, Mr. Perron. It is obvious.

Mr. PERRON.—Yes, my lord. The same thing with Mr. McDougal, the same answer.—A. I say I do not know whether Mr. McDougal has paid or not.

Q. Now, Mr. McDougal is certifying to your account, is he not?—A. Our account?

Q. I see a large account here of \$122 certified by him, and there are many others, most of them. As a matter of fact you knew that?—A. Yes.

Q. You knew that. Now, I see here other accounts, a large account, one of \$117, and lots of others certified by Captain Johnston?—A. Yes.

Q. You knew that?—A. Yes.

Q. As a matter of fact Captain Johnston gave you some orders for the *Lady Laurier* when he was Captain?—A. I don't think he ever gave me any orders.

Q. He went to your store quite often?—A. No.

Q. Or you went to him on board the ship?—A. No, I never saw him in the store in my life.

Q. Now, you have stated you were not charging more to the department than you would have charged me, or anyone of your good customers?—A. No.

Q. How much were you selling peaches to your customers for?—A. Which?

Q. Peaches?—A. I could not tell you.

Q. You could not tell me?—A. No.

Q. You do not know what the prices were?—A. No.

Q. Well, they were worth \$1.50 a dozen, were they not?—A. I do not know, I could not tell you.

Q. How long have you been in business?—A. I have been in business a long time.

Q. Now, you can tell me how much peaches were worth in 1904?—A. I don't know.

Q. You don't know anything about it?—A. No.

Q. You cannot tell at all?—A. No.

Q. No idea whatever?—A. No, I cannot tell you. How can I remember?

Q. You cannot remember the price?—A. No.

Q. Is it not a fact it was \$1.50 per dozen?—A. Very likely.

Q. And you charged the department \$2?—A. You can see it there.

Q. Is not this a sample of all your prices to the department?—A. Well—

Q. Now, Mr. Creighton.—A. I will just tell you exactly.

Q. Now, please.—A. Let me just answer. We sent our grocery bill, we sent it down to—

Q. Let us see. Two dozen peaches at \$2. They were worth at the time \$1.50 to outsiders, and \$2 to the Department of Marine and Fisheries. Is not that it, Mr. Creighton?—A. No.

Q. How much were they worth to outsiders?—A. I could not tell you.

Q. You could not tell me?—A. No.

Q. Four dozen of G. W. fruit, \$3. How much were they worth to others?—A. I could not—

Q. You would not?—A. I cannot tell.

Q. Three cases of milk, \$6.50. How much did you sell them to your customers at?—A. I cannot tell.

Q. You won't tell?—A. I cannot tell.

Q. Three cases of cream, \$5.50. Cream is cheaper than milk?—A. Yes, a little cheaper.

Q. Well, that is news to me?—A. It is true anyway.

Q. That is news to me that cream is cheaper than milk.—A. They are.

Q. The same thing; two dozen of pears, \$2. \$1.50 to customers, and \$2 to the department; is that it, Mr. Creighton?—A. I don't know anything about it.

Q. You don't know anything about it?—A. No.

Q. You don't know anything about it?—A. No.

Q. Well, now, how much were you charging more to the department than to the ordinary customer, was it 25 per cent, 15 per cent or 20 per cent? Let us get at it once for all?—A. I didn't charge any more.

Q. You cannot tell?—A. I didn't charge any more.

(Witness' account with the Department of Marine and Fisheries for August, 1904, marked *Exhibit 40*.)

Q. Now, outside of carrying the accounts of employees for two or three years, what else did they get from you?—A. Nothing.

Q. Eh?—A. They got nothing from me.

Q. Goods?—A. No, sir.

Q. Charged to the department?—A. No, not one cent's worth.

Q. To whom did you give gratuities?—A. I did not give any.

Q. You were simply carrying their accounts, is that all?—A. I give nothing, sir.

Q. You gave money?—A. No.

Q. Did you lend them money?—A. Never a cent in the world.

Q. I see you have a good many cheques payable to cash or bearer. Are you in the habit of making your cheques payable to cash or bearer?—A. Why, it is convenient.

Q. More convenient for what?—A. We generally write cheques for cash or bearer.

Q. No?—A. I think you will find a great many to cash or bearer.

Q. Well now, Mr. Creighton, do you say that you never gave anything to anyone in the department?—A. I have said so already, I told you already.

Q. And you stand by that?—A. I certainly do.

Q. Well, that will do, Mr. Creighton, but you will have to find out whether McDougal has paid?—A. I can find that out.

Q. And come back and let us know. And you must find out Captain Johnston's account?—A. I can do that in two minutes by just asking them in the shop.

Q. Come back when you have the information?—A. Yes.

A. DeB. TREMAINE, recalled.

*By Mr. Perron:*

Q. You have already been sworn, Mr. Tremaine?—A. Yes, sir.

Q. Will you please give me the names of the divers parties who are in charge of the branches in this department in the yard, the foreman, those who are responsible, who are in charge?—A. Yes, sir.

Q. We will take them in order?—A. Mr. Macnamara is storekeeper and in charge of the yard generally.

Q. Yes?—A. Mr. Samuel Case.

Q. Has Mr. Macnamara an assistant?—A. Well, he has not any assistant as storekeeper.

Q. Now, Case, he is in charge of what?—A. In charge of the boat shop, foreman carpenter in charge of the boat shop.

Q. Yes. Next?—A. Mr. John Baker, stevedore.

Q. Yes?—A. Mr. William McDonald, is chief blacksmith.

Q. McDonald?—A. Yes. Oh, of course, there is Mr. McLelland, Amos McLelland, he is inspector of buoys.

Q. Inspector of buoys?—A. Yes.

Q. He is under Captain Johnston I suppose?—A. No, he is under the agent.

Q. Who else?—A. Well, there is Harrison, upholsterer. Of course they are all under the agent.

Q. He is chief of the branch?—A. Yes, although he has not any assistant.

Q. What is his first name?—A. I think it is George.

Q. Yes?—A. C. Lampiere is chief of police, he is in charge of the watchmen, the day and night watchmen, and so on, chief of police.

Q. Yes?—A. I think that is all of the men who are in charge.

Q. The names of their assistants?—A. Well, Russell is timekeeper.

Q. What is his first name?—A. G. J. C. Russell. He is timekeeper and shipping clerk.

Q. Is that all?—A. I think that is all.

Q. They have no assistants?—A. No.

*By Mr. Watson:*

Q. You know I. Creighton & Co.?—A. Yes.

Q. And their line?—A. Yes, sir.

Q. Will you give us the name of some other merchant here in the same line with whom the department has not had any dealings?—A. With whom the department has not had any dealings.

Q. Some leading merchant?—A. Since 1896, you mean?

Q. I mean the last four years. With whom the department has not had any dealings at any time?—A. At any time?

Q. Yes?—A. Within the past four years you mean?

Q. Well, at any time within the last ten years?—A. It is so long since I had any dealings with them myself.—

Q. I mean a merchant in the same line?—A. I don't know, I could give you anyone quite in the same line, because Creighton deals as a butcher and grocer.

Q. Then groceries, fruits, vegetables?—A. Creighton is a general dealer.

Q. Just as near as you can?—A. There is no dealer I know of in Halifax who covers the ground Creighton does.

*By Hon. Mr. Cassels:*

Q. They cover part of the ground?—A. Yes, many cover part. He asked me in the same line. Which particular part, butcher, groceries, or fruit and vegetables?

*By Mr. Watson:*

Q. Give me one for each then?—A. There are butchers, J. A. Leaman & Co.; in groceries there are W. Charles Anderson, Larder, Hobly & Co., but we have had dealings with Larder and Hobly in that time. I forgot that.

Q. Fruit and vegetables?—A. It is so long since I had any dealings with these gentlemen, I do not keep house myself, and I am rather at sea in the matter.

Q. Will you find out for me in the course of half an hour, and then give us the names?—A. Yes.

(File of accounts of Creighton & Co., marked Exhibit 401.)

ALEXANDER J. FERGUSON, recalled.

*By Mr. Watson:*

Q. Then, Mr. Ferguson, you are now sole member of the firm, Mr. Cox being your bookkeeper?—A. Yes, sir.

Q. And you are boilermakers and machinists?—A. No, sir, not machinists, boiler makers, iron ship workers and blacksmiths.

Q. Boiler makers and iron ship workers. I see. That is repair work?—A. Yes, sir.

Q. And you have been dealing with the Department for sometime, have you not?—A. Yes.

Q. I see that for the steamship *Lady Laurier* your account during these in question, has amounted to \$9,102 for repairs, and to the other one, that is the *Aberdeen*, how much about have you done work upon her?—A. Yes, sir, considerable.

Q. Oh yes, you have \$7,599 worth. That is altogether about \$17,000 worth of work that you yourself have done in these three years apparently upon these two

steamers. This work that you have done, has it been covered by any written contract?

—A. No, sir.

Q. Not in any case by any written contract?—A. No, sir.

Q. And before the work was commenced I understand the prices were not fixed?

—A. No, sir, only for wages.

Q. Eh?—A. Only for wages.

Q. The prices were not fixed except for wages. What do you mean by that about wages?—A. The schedule of wages we always charge the department.

Q. Oh, do you mean a certain fixed price for wages of the working men?—A. Yes, sir.

Q. And does that apply to the skilled workmen?—A. Yes, sir.

Q. What was the price fixed for the skilled workmen?—A. 3.50.

Q. \$3.50 what?—A. Boilermaker a day.

Q. \$3.50 a day?—A. Yes, sir.

Q. And how much for the others?—A. Iron workers, \$3.

Q. \$3?—A. For iron workers.

Q. But I am asking you to distinguish between skilled labour, and labour that is not skilled?—A. Well, boilermakers and iron ship workers are two different classes of men.

Q. Yes, I daresay. Are you dealing now with skilled labour?—A. Well, it is all skilled labour.

Q. What?—A. Both of them is skilled labour.

Q. Well, did you have any labour there not skilled?—A. They are all skilled. Of course, helpers, we pick up working men, the union gives us the right to pay.

Q. I know, but I am speaking of the arrangement with the department about wages. What arrangement was made about the wages?—A. I wrote when—

Q. No, no—get down to figures. Never mind about letters?—A. That was the arrangement I made, \$3.50 for boilermakers, \$3 for ironworkers, and \$2.50 for helpers.

Q. \$3.50 for what?—A. Boilermakers.

Q. Yes. And about how many boilermakers were there?—A. Oh, it all depended on the job we had.

Q. Well, wait, what was the next \$3 for?—A. Ironworkers.

Q. Yes. And \$2.50?—A. For helpers.

Q. That is by the day?—A. Yes, sir.

Q. So that \$3.50 for the boilermakers was for skilled labour?—A. Yes, sir, that was for skilled labour.

Q. And the \$3 a day for ironworkers, was that skilled labour?—A. Yes, sir.

Q. And the \$2.50 was for the ordinary helper?—A. Yes, sir.

Q. There is not very much difference between the skilled workment for ironwork and the ordinary helper, is there, 50 cents a day?—A. 50 cents a day, yes.

Q. And how much profit did you have on the wages of these men—about how much profit?—A. Oh, I could not tell you, about \$1 a day.

Q. Oh, a dollar a day?—A. On some of them.

Q. Would that be an average, a dollar a day each?—A. About—no, it would not.

Q. Would not that be enough for the average?—A. Hardly.

Q. It would not be enough for the average. It would be a little bit more than that on the average, how much?—A. A little bit less I mean to say.

Q. Take the \$3.50, take the boilermakers first. Of course you have just time-books and wage-books here?—A. Yes.

Q. So we can test it out to be quite accurate. But tell me now as nearly as you can, subject to the testing of it in the books, how much the boilermakers received from you, \$2.25 or \$2.50?—A. \$2.50.

Q. They received \$2.50 a day, and the ironworkers received how much?—A. The ironworkers received \$2.50.

Q. Eh?—A. \$2.50.

Q. You have got them there at \$3?—A. That is what they received from me.

Q. How much?—A. \$2.50.

Q. You did not make as much on them?—A. No, sir.

Q. And the ordinary helper?—A. \$1.80.

Q. One what?—A. \$1.80.

Q. I see. And he was put in at \$2.50, was that right?—A. Yes, sir.

Q. That was for the workingmen. Now, have you looked at the books to test the accuracy of this?—A. The which?

Q. Have you looked at the books to make sure of this?—A. I don't know anything about the books; it is Mr. Cox. I have never looked over the books. I am no scholar.

Q. You cannot tell from the books how much was paid to the men?—A. Well—

Q. Just bring the books, Mr. Cox, those time-books and wage-books. You may be out in that then?—A. I may be out. I trust wholly on Mr. Cox for running my books.

Q. That is not a matter of books?—A. I have no education at all.

Q. That would not be a matter of books, what you pay the men?—A. It would be a matter of looking over the books.

Q. But who makes the bargain with the men?—A. Who makes the bargain with the men?

Q. Yes, who engages them?—A. My foreman hires them.

Q. What is the foreman's name?—A. Thomas Hart.

Q. You leave that entirely to him?—A. Yes, to hire and discharge the men.

Q. You make the best arrangement you can?—A. Entirely to him.

Hon. Mr. CASSELS.—Does the account with the Government show the number of hours the men work?

Mr. WATSON.—This account. Let me see how that is.

Q. Do you understand that in making returns you accounted for the number of hours the men were working, or did you just bulk it?—A. Nine hours a day our men work.

Q. But did you charge for a particular number of hours?—A. We charged for 9 hours. I guess you will find it in the books there.

*By Hon. Mr. Cassels:*

Q. Do you pay your men for 9 hours if they do not work 9 hours?—A. If they do not?

Q. Yes?—A. That is our day's work, 9 hours.

Q. I understand that. Supposing they do not work 9 hours, do you deduct?—A. We deduct it.

Q. Is not there any comparison made in your books with the government whether you pay the men the same number of hours as you charge the government?—A. I think you will find all the hours there.

*By Mr. Watson:*

Q. What your lordship is asking is in this way: Did any one go over your books to see whether or not the books correspond with the accounts?—A. Mr. Cox has, I guess.

Q. That is your man, Mr. Cox?—A. Yes.

Q. But did any one from the department do so?—A. No, sir.

Q. That has never been done?—A. Never been done.

Q. Now, take this account. The first one I pick is an account dated the 8th of February, 1906, and this account includes material, for instance, steel plate and steel rivets, and other material?—A. Yes, sir.

Q. And then at the end of it it has 'ironworkers' time, 24½ days at \$3, helpers' time 32 days at \$2.50.' That is what you are referring to now, that is part of the account?—A. Yes.

Q. Then, those are all the details you have?—A. Yes.

Q. Just that class of detail?—A. Itemized in the bill.

Q. Then for the rest of the account, that is for the material and other work done, there were no prices fixed?—A. No, sir.

Q. Or arranged?—A. No arrangement made.

Q. And there was no discussion about prices until after you sent in your account?—A. No, sir.

Q. I see. And when the accounts were sent in they were paid, where they, shortly after?—A. No, not shortly. We have had to wait a very long time, as much as 14 months.

Q. Yes, sometimes 14 months?—A. Yes.

Q. That is rather exceptional?—A. Well—

Q. That is quite exceptional of course.—A. Well, very often.

Q. Usually it is a matter of a couple of months?—A. Well, usually, but very often longer.

Q. Usually, but very often longer, I see. So that I think the bulk of the accounts is for material as distinguished—I won't say the bulk, but the greater part of the accounts I see appear to be for material as distinguished from pay for the men?—A. Labour and material.

Q. Yes, the greater part appears to be material, and the balance labour.—A. Yes.

Q. Then you have never had any objections to your accounts, I suppose, that you know of?—A. Not as I remember.

Q. Not that you remember, I see. And when your accounts were sent in, they were usually sent in to Mr. Parsons, were they?—A. Generally sent to the captain of the ship.

Q. The captain of the ship?—A. We were doing the work on.

Q. That is in one case to Captain Johnston, and in the other case to what captain?—A. Captain Blois, or whoever was in charge of the ship.

Q. I see. And then these captains certified to the accounts?—A. I don't know. They certainly certified to them, but I don't know.

Q. Then, Mr. Schmidt was also around about, inspecting?—A. Yes, sir.

Q. Most of the time was he?—A. Yes, sir.

Q. Apart from the captains and Mr. Schmidt, what other officials did you meet? The engineers on the ships?—A. Yes, sir.

Q. Who is the engineer on the *Laurier*?—A. Mr. Hooper.

Q. And on the other?—A. Mr. Stewart, Hugh Stewart.

Q. And you would come along with them sometimes?—A. Well, I would meet them on board the ship in the course of my duty looking after work backwards and forwards.

Q. And then sometimes I see Mr. MacNamara would certify. How would that come about?—A. Not since—

Q. Here is one, 1905.—A. Yes.

Q. Certified by Mr. Macnamara.—A. That is when I was doing the buoy work. I don't do any of that now.

Q. You do not eh?—A. No.

Q. The same with the buoy work, the prices were not fixed, they are prices for material?—A. No, no prices.

Q. And is there anybody else in the same line with yourself here at Halifax?—A. Yes, there is.

Q. Who?—A. Mr. Brookfield and Mr. Evans.

Q. Mr. Brookfield and Mr. Evans?—A. Yes, Mr. Hoben. Mr. Evans is in Dartmouth.

Q. Mr. Brookfield?—A. Yes, the dry dock company.

Q. What is Mr. Brookfield's first name?—A. S. M.

Q. Is the gentleman well known about the city?—A. Yes, sir.

Q. What is the firm's name?—A. The Halifax—well, I couldn't tell you whether

S. M. Brookfield or the Halifax Graving Dock Company.

Q. My learned friend and I would like to have him here. The Halifax Salvage Company?—A. The Graving Dock Company.

Q. I see. Then you say Mr. Brookfield's firm, and what other firm?—A. Mr. Evans, Dartmouth.

Q. Anybody else?—A. Mr. Webber, Dartmouth.

Q. Then here is another account for a considerable amount certified by Mr. Johnson.—A. Yes, sir.

Q. Yes, by Captain Johnston. That is for the *Lady Laurier*?—A. Yes, sir.

Q. Then you are a practical man yourself?—A. Yes.

Q. Were you consulted as to whether or not the work was necessary to be done?—A. Was I consulted?

Q. Yes.—A. No, sir. I got my orders from the office.

Q. You say what, I cannot hear you.—A. There is the way I got my orders. (Handing in paper).

Q. Before the work was commenced, and before any order was given were you consulted as to the condition of matters, and as to what was necessary to be done?—A. Occasionally I was taken up by the inspectors and showed what was to be done.

Q. Yes. But that is a little different from what I meant. You were then instructed?—A. Instructed, yes.

Q. But was your advice asked beforehand as to what should be done?—A. No, sir.

Q. And as to whether or not it was necessary to do anything?—A. No, sir, I was never asked.

Q. The paper you have handed me reads this way:—‘January 27, 1908. Required for the use of the above-named vessel—that is the *Aberdeen*—furnace and ash pit doors repaired.’ Signed by Mr. Parsons as agent, per Mr. Macnamara apparently. ‘per M.C.M.’—A. I don’t know, I never had any work for Mr. Macnamara. Mr. Tremaine may give you some information about that. (Paper marked Exhibit 402).

WITNESS.—Would that be Mr. Mitchell, Mr. Watson?

Q. I don’t think so. It is M.C.N.—A. Mr. Mitchell, I think you will find that is M. C. Mitchell.

Q. What is Mr. Mitchell’s name?—A. M. C. Mitchell, is it?

Q. I do not know.—A. I don’t know Mr. Mitchell at all personally.

Q. It will speak for itself.—A. You will kindly not lose that order, Mr. Watson.

Q. Then, Mr. Ferguson, is it a fact that you were engaged more during the last three or four years in working for the Marine Department than for any other customer?—A. Well—

Q. I suppose that is so.—A. The last—

Q. Three or four years?—A. I cannot exactly say. We do work for everybody.

Q. I know, but they are your best customers, are they not?—A. I don’t know. We have done a lot of work outside. They are fairly good customers.

Q. You cannot distinguish?—A. No, I have not taken particular notice.

Q. You have not taken any particular notice?—A. No.

Q. The account is a pretty large account against them.—A. I do not think it is large enough for the work.

Q. You do not think it is large enough?—A. No.

Q. You would like to have made it larger. Why did you not make it larger?—A. We done what was right; we don’t do anything wrong.

Q. I see. Then you have spoken, subject to verification as to the books, about the profit on the labour?—A. Yes.

Q. Your profit on the material, about in the same proportion I suppose?—A. I don’t know what we got the material for. We generally charge for handling it.

Q. Yes. The profit on the material then is about the same percentage as upon the labour?—A. I could not tell you.

Q. You could not tell. Do you mean you do not know how much profit is on the material?—A. No, I don’t.

Q. No idea?—A. Mr. Cox might tell you.

Q. You are the proprietor of the business?—A. I don't know anything about the books.

Q. That is not a matter of entries in the books, but it is a matter of business.—  
A. The entries in the books I think would show it.

Q. But I am asking you as the owner of the business. You are the owner of the business?—A. At present, sir.

Q. Is there anybody else interested with you?—A. No.

Q. Eh?—A. No.

Q. Directly or indirectly?—A. No.

Q. And not been for how long?—A. Ever since I took the business over myself.

Q. When?—A. 1906.

Q. You see, that is getting on for three years, and you have been the only one interested, and you have no idea what the profits have been upon the material?—A. I have not, sir.

Q. Have you ever tried to find out?—A. Well, I did not.

Q. You did not?—A. No.

Q. You never asked anybody, nobody ever told you?—A. No.

Q. That is right, is it?—A. Who would be to tell me?

Q. I do not know. I see, nobody could tell you. So you had no idea what your profits were on the transactions with the Department of Marine and Fisheries?—A. I never had anything at the end of the year to know what profits I did have.

Q. I see. On the transactions with the department you had no idea what the profits were?—A. No.

Q. And there is no one else in your business would know?—A. Mr. Cox might know by going over the books.

Q. But you have never asked him?—A. No, I depend wholly on him to look after the books.

Q. It is one thing to look after the books, and another thing to look after the financial position, your own financial position in the business a little bit?—A. Yes. Well, I have.

Q. So when these accounts were made up have you any idea yourself as to how much was added over and above cost, have you any idea?—A. On material?

Q. Yes.—A. Well, I have no idea. I suppose I should have 5 per cent.

Q. You suppose. But you said you had no idea?—A. No.

Q. Why say 5 per cent? You are not doing business on a 5 per cent profit on material?—A. I don't know.

Q. You don't know that, Mr. Ferguson? That is hardly up to the mark, is it now?—A. What is? I don't understand.

Q. I mean what you are saying is hardly up to the ordinary business mark?—  
A. No.

Q. In connection with a man's own transactions in his own business?—A. Well,  
I—

Q. The reason I am asking you this particularly is—I do not want to unduly pry—but the reason is the total account with the department; see, I have given you the accounts with the two ships, \$16,000, but the total account with the department during the three years is \$40,556.

Hon. Mr. CASSELS.—\$40,000?

*By Mr. Watson:*

Q. And \$556 for the three fiscal years?—A. That is mostly ships.

Q. Well, we have taken out the ships, and I have given you the figures from the ships, that is \$16,000 for the two ships, one \$9,000 and the other \$7,000, about \$9,000 and about \$7,000. Now, this is \$40,556, and you say now you have not any idea of how much, if anything, was added to the cost of the material. Is that so?—A. No, sir, I have not.

Q. You have no idea how much was added to the cost of the material?—A. No idea.

Q. Do you think you could get an idea between now and two o'clock?—A. By Mr. Cox going over the accounts I suppose I might know.

Q. By Mr. Cox?—A. Yes.

Q. But have you ever asked him about it?—A. No.

Q. And he has never told you?—A. No.

Q. And has your foreman ever told you?—A. My foreman don't know anything about those books.

Hon. Mr. CASSELS.—What is the \$23,800 made up of, the exact amount for the two steamers is \$16,732?

Mr. WATSON.—That is how it is made up from a separate statement made up by Mr. Tremaine. Yes, my lord, Ferguson & Cox, *Lady Laurier* \$9,102, and for the other \$7,599 my lord, without the cents; that is for the *Aberdeen*. And then the total account is, as I say, \$40,556. That is the balance or difference between the \$16,000 and the \$40,000 would be roundly speaking about \$24,000.

Q. What was represented by that?—A. I don't understand you.

Q. What does that represent, what kind of work or material, apart from the steamships, what else did you do?—A. I think you have an account of it there. I don't remember.

Q. Have you any idea what it was?—A. No, I have not.

Q. Well, it is all within the last three or four years, and you have no idea what it was?—A. I don't know. I have not done any lighthouse work.

Q. No.—A. I may have done some buoy work, I don't know, I cannot remember.

Q. You cannot remember?—A. No, sir, I cannot.

Q. So, apart from the two ships, you cannot remember now anything else?—A. No, I don't. It is so long since I done any other work, that is yard work, buoy work, or anything like that since Mr. Evans has been taking hold; since Mr. Evans has been taking hold I don't do anything of that, he takes it all, all the buoy work, and anything done in the yard.

Q. Then, I suppose there is no doubt, having regard to this amount of \$40,500 that your chief customer was the Marine Department?—A. Chief customer?

Q. Yes.—A. I do not say that.

Q. Do you say other than that?—A. We have done a lot of big work.

Q. Have you?—A. Not for the department.

Q. For others than the department have you?—A. Yes.

Q. Then, with regard to the whole of this, take the whole account of \$40,000 odd, I understand you are not able to tell at all or form any idea of the excess charged over and above cost?—A. Not at present.

Q. Have you been thinking about it at all?—A. I have not been thinking about the matter.

Q. Have you not been thinking about it?—A. No.

Q. You have been here two or three days, and been hearing questions asked of other merchants and people supplying the department, has not that brought it to your mind?—A. No, so many queer questions were asked.

Q. So many queer questions were asked. That is what they say, we are a queer lot. That appears to be your mind about it, does it? I see. Well, we are trying it to do the best we can Mr. Ferguson.—A. I know that.

Q. In the best way we know how. And you will be sure to help us, will you, the best you can?—A. We are trying that. We have not done anything wrong.

Q. I am not saying that. I am just asking now about information from the standpoint of the department. We want to know about how much was being paid to you for work and material over and above the cost prices of it, because, you see, the accounts are very large ones.—A. For the material?

Q. Yes.—A. And labour?

Q. Yes, and you have no idea?—A. No idea.

Q. I see. Are you in the same position with regard to the work and material for the department as for other customers, you say you have other large transactions?

—A. Yes, sir.

Q. Do you not know in other transactions what profits, if any, you are making from time to time?—A. Mostly all contracts.

Q. Mostly all contracts?—A. Yes.

Q. Oh, I see, so it is a different system?—A. Yes, sir.

Q. The ordinary regular system is different from the one that prevails with the department in that way?—A. So it appears.

Q. So it appears?—A. Yes.

Q. Which do you like the best?—A. Well, I don't know. I think we can sometimes make more than we can out of government, out of contracts.

Q. Sometimes you can?—A. Very often.

Q. Out of a contract?—A. Yes.

Q. So that in other transactions the same as this you are not able to tell what the percentage is over and above cost for material; that is right is it, is that so?—A. We are dealing with the Marine inquiry. Do I have to answer this about outside work?

Q. I was just testing to know?—A. I thought we were dealing with this.

*By Hon. Mr. Cassels:*

Q. We want to find out whether you made more out of the government than you did out of others?—A. I told him, no.

*By Mr. Watson:*

Q. Well, in other cases do you know about what proportion of profit there is?—

A. Profit?

Q. Are you able to tell what is the excess over cost in other cases?—A. Not out of any particular job.

Q. Not out of any particular job?—A. No, sir.

Q. I see. Now, I see in 1904 there were repairs to buoys to a considerable extent. Was that material or labour?—A. Labour and material, I guess. I cannot exactly tell you.

Q. You cannot exactly tell?—A. I cannot remember away back that time what we done. I guess there was material included in it.

Q. You think there was?—A. More than likely.

Q. And afterwards, I see, there were repairs to boilers and repairs to the *Lady Laurier*, buoys, labour, repairs. Then, you sold some goods as well?—A. Yes, sir.

Q. Where were they delivered, to the ship?—A. Goods, what sort of goods?

Q. Just merchandise goods, apparently. Do you know what they were?—A. No, sir, I don't.

Q. You do not know?—A. I don't remember what they are.

Q. Then, do you think your bookkeeper could tell us anything about the percentage over and above cost?—A. Probably.

Q. You think probably he can?—A. Yes.

Q. And the account was sent in, and nothing ever objected to that you remember of?—A. Not to my knowledge.

Q. No, not to your knowledge?—A. Not that I can remember.

Q. And who kept the record of the time of the men?—A. The foreman.

Q. The foreman; I see. Had you any personal knowledge of that yourself?—

A. No, sir, I had not.

Q. And the book-keeper had not?—A. They were handed in to him, the names were handed in to my bookkeeper, and were taken down.

Q. And that is the record of it, eh?—A. Yes.

Q. Now, let us see in the books—Mr. Cox, will you show where that record is, please, let us see the record of the time?

(Mr. Cox opens up books.)

Q. Take, for instance, the first one which we have here, Februrary the 8th, 1906; there was an account sent in at that time. This was made up from a book, I assume, in the way you have spoken of?—A. Yes, sir.

Q. Ironworkers' time, 24½ days. Let us see where that appears, how this is made up, submarine signals. I think you have said already that no one ever came from the department to inspect these things, to your knowledge?—A. For me to inspect?

Q. To inspect them, no one came to see whether or not these corresponded with the entries?—A. Not to our office.

Hon. Mr. CASSELS.—Have they got the bills there, Mr. Watson, because one would like to see those, whether the men were paid the same number of hours as they charged the government?

Mr. WATSON.—Yes, my lord, that is just what I want to see.

Q. Are these the pay lists?—A. Yes, sir

Q. Look and see here, test that, February, 1906.

(Mr. Cox refers to pay lists.)

Q. This is your handwriting, is it, the account?

Mr. Cox.—Yes, sir.

Q. Where did this come from, show me the book that this was obtained from?—  
A. Obtained from this book.

Q. How was it arrived at, the 24½ days, can you tell, Mr. Ferguson? I suppose you cannot tell at all?—A. I know nothing about it.

Q. You do not know how this number of days is arrived at?—A. Oh, I know it must have been the days, because the work was done.

Hon. Mr. CASSELS.—Your pay sheets should correspond, less the profits you deducted.

Mr. WATSON.—Will you step out for a moment and let the bookkeeper step in. Mr. Cox, will please be sworn.

ARTHUR COX, sworn.

*By Mr. Watson:*

Q. Then, Mr. Cox, just in a word, you were a partner of Mr. Ferguson's?—A. Yes, sir.

Q. Until the beginning of 1906?—A. Till the 30th of April, 1906.

Q. Were you a participating partner, that is participating in the profits?—  
A. Yes, sir.

Q. Not merely on a stated allowance?—A. 50 per cent of the profits.

Q. Oh yes, you got one-half of the profits, I see. And that is up to the 30th of April, 1906?—A. Yes, sir.

Q. Now, at this moment, we are looking at this account, made up in your handwriting, February the 8th, 1906. Just look at the books and let us see the entries or records that lead up to the making of that account?—A. They are taken from this book, and I put a memo. at the same time.

Q. Let me ask you when they are taken from the book. Are they made of record in some journal or ledger?—A. In a journal; yes, sir.

Q. Whereabouts, let us see the journal?—A. I have not got the journal previous to the beginning of 1906.

Q. Not previous to the beginning of 1906. We are all right then, because this is February, 1906?—A. I say I have not got the books previous to 30th of May, 1906.

Q. 30th of April, you mean?—A. Yes.

Q. Why haven't you?—A. They have not been discovered.

Q. They have not been discovered?—A. No.

Q. Where were they when you last saw them?—A. They were in the boiler shop of Ferguson & Cox.

Q. They are probably there yet, are they?—A. I don't think so.

Q. You are not quite sure?—A. I had a look for them.

Q. Eh?—A. I had a look for them.

Q. When did you look for them?—A. I looked for them about three months ago, and again this week.

Q. Yes? Where did you look for them, in the boiler shop?—A. I looked where the old office used to be there, and I looked in the loft where the file was. I understood they had been taken up there.

Q. Did you not know?—A. I did not know; no, sir.

Q. You understood they were in the boiler shop?—A. I understood they were in the boiler shop.

Q. Mr. Ferguson stated, I think on Saturday, he understood they were in the loft?—A. Well, the loft is over the boiler shop.

Q. That may be the same thing, but that was some time ago. When did you last see them?—A. A year ago, the 30th of November, 1907, when I moved away from that office.

Q. Have you any idea of the books being destroyed?—A. I have not.

Q. They were not destroyed by direction of any one?—A. No, sir.

Q. Eh?—A. No, sir, not to my knowledge.

Q. Not to your knowledge, I see. What other books were there besides the cash book?—A. There would be the journal and the ledger, the same as I—

Q. The journal and the ledger?—A. Yes.

Q. So that at the present time you are not producing here any books prior to the 30th of April, 1906, is that right?—A. Well, this time book goes back further than that.

Q. But apart from the time book and the wages' book?—A. The cash book, I think, begins January the 1st, 1906.

Q. The other books are not produced, and you cannot tell what has become of them?—A. I cannot tell personally.

Q. You cannot tell personally? You qualify it, reasonably no doubt. You have some information then I should gather from your answer, you have some other information?—A. I have no other information except they have not been seen since the fire.

Q. When had they been in your charge?—A. Not for over a year.

Q. Mr. Ferguson says he has no knowledge at all of the books. Does he ever go over the books?—A. No.

Q. Do you ever speak to him about financial matters?—A. Yes.

Q. Discuss them with him?—A. Yes.

Q. Discuss matters of profit and loss?—A. Yes.

Q. Eh?—A. Yes.

Q. Do you discuss with him what percentage of gain there is on orders and business?—A. I do not know I ever discussed the word 'percentage.'

Q. Oh well, the profits would lead of course to percentage?—A. I suppose so.

Q. I see, you suppose so. Then, with regard to the Marine transactions, the Marine Department transactions, have you discussed with him at any time the percentage of profit on these transactions?—A. No, I don't think I have.

Q. Has that ever been the subject of discussion between you and him?—A. I just cannot understand your drift.

Q. Well, can't you? Here is an account during three fiscal years between this firm and the department, amounting to \$40,500 during the three years. Now, during that time has there ever been any discussion between you and him as to what was being made out of these transactions?—A. We never discussed in particular what sum was made out of any particular transaction.

Q. You never did?—A. No.

Q. I see, for instance, you would have certain work to do on the steamship *Lady Laurier*, or on other steamships, and work would be done to the extent of thousands of dollars; there would be no discussion as to the result of it?—A. We had our rates, we charge accordingly.

Q. Oh yes, rates for men?—A. Yes.

Q. But no discussion as to the financial result, no question asked of you?—A. They might ask me how I thought the job was going to pan out, or something like that.

Q. That is beforehand, but afterwards?—A. I cannot recollect at this time.

Q. You cannot recollect. Did he take any part in the making up of the accounts?—A. He always saw them after they were made up.

Q. Did you go over them with him then?—A. Yes, usually.

Q. Eh?—A. Usually.

Q. And the prices of material were fixed with him, or by him?—A. That lay principally in my own hands.

Q. That lay principally in your own hands as book-keeper. Then as book-keeper, you seem to have been managing the business?—A. I am speaking prior to the time—

Q. To the 30th of April, 1906?—A. Yes.

Q. Then let us take since that time particularly. Has that been resting with you still?—A. Largely.

Q. Then you have been practically managing the business since then.—A. Put it that way if you like.

Q. Well, is that the correct way, and do you say you have not had any interest?—A. Not since the 30th. I get a salary.

Q. Now then, following this up just as a matter of procedure, take that same account—perhaps you are not able to deal with that account by reason of the loss of the books?—A. Yes, sir.

Q. Then we will go on and take a later one, and come to the same point. Take one in 1907, that will suit you, will it? Take the labour account here, Boilermakers' time, 63 days, \$3.50 a day, October the 5th, 1906. Now, you can produce that. How do you arrive at that?—A. I think I picked it out of these accounts here, I kept a memo, while the work was going on.

Q. Where did you pick it from? It won't take long to give us that as a matter of test to see if it is accurate. See, you have not in any case certified yourselves to the correctness of these accounts. Apparently, you have not been called upon to certify to the correctness of your accounts; that is so, is it not?—A. I have.

Q. Well, they are not certified to—these are the originals, except by Mr. McConkey and Mr. Schmidt, they certified to them?—A. Here is where I got the time for the *Aberdeen* on that occasion. (Indicating.)

Q. Let me see, boilermakers 63 days. Where is that?—A. Here is where I kept the memorandum.

Q. What date is that?—A. 11th September.

Q. The date here is the 5th October?—A. I took my dates from here. (Indicating.)

Q. The 11th of September?—A. Yes.

Q. That would be 63 days at \$3.50 a day. Let us see that?—A. Here we are off and on, and again here, here, there. (Indicating.)

Q. But these are all mixed up?—A. Yes, sir.

Q. It looks to me—I may be quite wrong, it looks to me almost impossible to distinguish.

Hon. Mr. CASSELS.—Do you take receipts from your men?—A. No, your honour,

Q. What have you in your books to show you paid these men 63 days?

*By Mr. Watson:*

Q. I do not see anything. Do you see anything to show that 63 days at \$3.50 a day?—A. The men's time is all in here.

*By Hon. Mr. Cassels:*

Q. What is there to show the men received it from your firm? You may have charged the government twice as much as you paid the men for, for all we know. I am not saying it is so. You ought to prove it?—A. We never kept a record that way, it was not our system.

Q. It is an enormous sum to charge for wages. There ought to be something to prove you paid the men a corresponding number of hours.

Mr. WATSON.—Yes. In the same way take the helpers' time, 69 days, \$2.50 a day. Now, just as his lordship is suggesting, let us see the boilermakers' entry showing the payment to those men, if any, individually, then the whole entry in the cash book. Those men, the boilermakers', were being paid, Mr. Ferguson says, \$2.50 a day, and you were charging them to the department at \$3.50 a day. Now, can you show any entry verifying the payment of \$2.50 a day for 63 days for those boilermakers?

Hon. Mr. CASSELS.—In most cases there seems to be only two or three men employed.

Mr. WATSON.—Yes, my lord.

Q. How many boilermakers would be working at the time?—A. It depends altogether on the job.

Q. Can you tell from looking at that. (Indicating.) Boilermakers' time, 63 days. Do you mean that is only one boilermaker?—A. No, a number of boilermakers.

Q. Let us see. It is pretty difficult to follow now?—A. Yes, after this date.

Q. Do I understand you to say it is practically impossible to get at the particulars or details to verify them?—A. Pretty hard, sir.

Q. Pretty hard. And no attempt has ever been made before?—A. I suppose there is men to keep the time on the ship to certify.

Hon. Mr. CASSELS.—The trouble is the department made no check at all upon your account. You sent in that account, it may be perfectly correct, but we want to see it is so?—A. I understand there was some one keeping time on the ship.

Q. Who?

*By Mr. Watson:*

Q. Who is it? We have not any trace of anything of that kind?—A. The one who certified the bill, I suppose.

Hon. Mr. CASSELS.—We ought to see it, if it is so.

Mr. WATSON.—We have Mr. Schmidt's name appearing here, and Mr. McConkey's name on this one also. On this one also the captain, Joseph Blois. You cannot verify them from the books?—A. No, not just now.

Q. Let us see your cash book from May, 1906?—A. The cash book is not there.

Q. That is all you gave us.—A. The cash book was brought here.

Q. Then with whom did you come into communication for the most part, what officials?—A. In which respect?

Q. In any respect in connection with this work.—A. I had not very much to do with the executing of the work outside. I was confined to the shop.

Q. You were confined to the shop, or office rather?—A. Yes.

Q. And did you have to do with payments?—A. Yes, sir.

Q. That is, make disbursements?—A. Yes, sir.

Q. Were they made by you?—A. Usually.

Q. At other times by whom, the foreman?—A. No, the foreman handled no money.

Q. Eh?—A. The foreman handled comparatively little money.

Q. He handled some then. Did Mr. Ferguson make some disbursements?—A. Some.

Q. But you made the greater part?—A. Yes.

Q. And your system is I assume, the regular system, when you pay by cheque to make your cheque payable to the order of the person to receive the money; is that right?—A. Not always.

Q. Not always?—A. It depends on the circumstances.

Q. I see. Then assuming that you were indebted to Mr. Brown for \$500 would you pay him by cheque to his order?—A. Very likely.

Q. Very likely. You might not do so. Do you mean you introduce the system or at least practice sometimes of making cheques payable to cash?—A. Certainly.

Q. Eh?—A. Certainly.

Q. Large cheques?—A. Yes.

Q. Large cheques just payable to cash, no name appearing on them?—A. No.

Q. Either on the front or the back?—A. No.

Q. Then, say a cheque of a thousand dollars is made that way, payable to cash, what record do you make of it in your books, how do you trace up the application of the thousand dollars, no record?—A. I make a record in my cash book of it.

Q. I see. Is this the cash book? (Hanging book to witness.)—A. Yes.

Q. That is it. Well now, let us see when this commences, May, 1906.—A. It should begin January 1, sir.

Q. The first of January, 1906?—A. We used up the old book.

Q. Now, take a case such as we are referring to, cheque payable to cash for a considerable amount, and let me see the entries showing the application of the proceeds.—A. (Witness refers to book.)

Q. Where is the cheque?—A. There.

Q. Oh, yes, wages. I can understand wages, because there would be the application, that might very well be an exception, I think. Apart from wages?—A. If I had a note on the bank—

Q. That is not the case I was speaking of a little while ago, that is, indebtedness to Mr. Brown, and of a cheque not payable to his order, but payable to cash.—A. (Witness turns up another entry.)

Q. That is the case of a note due. But what I want to get at is a cheque payable to cash and the cash used, the cash taken; I want to see the application of it.—A. The cash is taken in all those instances.

Q. That is wages, but apart from wages?—A. Well, if a man came into my office and I had the money I usually paid him the money instead of a cheque, small amounts.

Q. I see. Now, can you show an instance of a cheque payable to cash, apart from wages, and the application made of the money?—A. Apparently you cannot point to it.—A. I cannot think of any just now.

Q. You cannot think of any just now, I see. Now then, you know Mr. Schmidt pretty well?—A. Not very well.

Q. Not very well. Does his name appear entered in your books as a matter of debit and credit?—A. No, sir.

Q. It does not?—A. No. We have no occasion for anything like that.

Q. No occasion for anything of that kind?—A. No.

Q. Have you any personal knowledge of transactions between the firm and Mr. Schmidt?—A. None whatever.

Q. You have no personal knowledge of that?—A. No personal knowledge.

Q. Were you here yesterday when he gave his evidence?—A. Yes, sir.

Q. His evidence was to the extent, as I recollect it, that he did not recollect, he did not remember any transaction, but he said he would not be positive. You heard him?—A. I heard him say that.

Q. Well, are you in the same position?—A. No, not at all; I am positive.

Q. You are quite positive with regard to Mr. Schmidt?—A. As far as I am concerned.

Q. But you cannot speak for any one else than yourself, is that what you mean?—A. No, I cannot speak for any one else.

Q. You cannot speak for Mr. Ferguson on that subject?—A. No, I do not suppose I can.

Q. Payments of that kind. And I suppose there are gratuities paid sometimes?—A. Where?

Q. Are there gratuities paid sometimes?—A. Not that I know of.

Q. Eh?—A. Not that I know of.

Q. In any cases, under any circumstances?—A. No.

Q. Eh?—A. Not in my experience.

Q. Not in your experience. Has it ever been a case of payment of gratuity, or giving of a present to any one with whom the firm has had transactions, or any employees?—A. No.

Q. In the department?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Not at all?—A. Not at all.

Q. Then how much money have you loaned to Mr. Schmidt?—A. I had no money to loan to him.

Q. You hadn't, but on behalf of the firm?—A. The firm is worse off than I am.

Q. Well, you seem to be getting lots of money, you got lots of money from the department, \$40,556?—A. We got more than that, I think.

Q. During the three years?—A. No, not during the three years.

Q. Well, you seem to have made pretty well out of the department. What is the matter, paying out too much?—A. Paying out too much.

Q. I see. It costs too much. Then you are able to state the percentage of profit over and above costs on the material that is sold and delivered to the department? Mr. Ferguson said he could not. Are you in the same position?—A. I never struck an average on raw material.

Q. You cannot give any information of it?—A. No. I can tell you at the end of the year how much profit in the business.

Q. I daresay. One witness said it required something very good to make up for something that might turn out very bad?—A. Yes.

Q. That is the way you strike an average, of course?—A. No.

Q. That, at all events, is the way to reach the net result at the end of the year; no doubt about that fact?—A. At the end of the year—yes, sir.

Q. At the end of the year you have to put in the bad with the good and the good with the bad. So in respect to the dealings with the department, I understand you are in the same position as Mr. Ferguson, and not able to state the percentage over and above cost that has been received on material?—A. You mean the Marine and Fisheries?

Q. Yes?—A. I have never made it up.

Q. Never at any time?—A. No, not on an average, no.

Q. Never made it?—A. I tried to make it pay.

Q. Then he has never made it up—you have never made it up—has anybody else ever made it up?—A. No.

Q. Then I cannot for my life see how you arrived at the prices charged, if you never made a computation, because in making your prices in your accounts you must, I should think, necessarily get at the cost, in order properly to prepare those accounts. Apparently you have not done so?—A. We always take care to charge more than we have to pay.

Q. You always take care to charge enough, I suppose as much as will probably be passed, is that the idea?—A. We try to make our rates right.

Q. What?—A. Right and proper.

Q. Yes, you try to make them right. And, as you say, you try to make them enough to protect yourself, but you cannot tell me what the percentage is?—A. Not definitely.

Q. Fifty per cent, do you say, or 100 per cent?—A. I don't think so.

Q. You do not think it would be as much as 100 per cent?—A. I am sure of it.

Q. Will you say it would not be as much as 50 per cent, or can you form any idea?—A. It would not be 50.

Q. Eh?—A. It would not average 50 per cent.

Q. Now, if you have never made it up, how can you tell, do you guess?—A. I have an idea.

Q. I see. Would you say it is not as much as 40 per cent, or can you tell?—A. I cannot tell.

Q. You cannot tell, I see. And you won't say it is not as much as 40 per cent profit?—A. I do not think it is.

Q. You do not think so, but you cannot tell. Can you tell here now, at any time to-day, by looking over the accounts and books, can you become reasonably accurate on that subject?—A. I would have to go over three years' work.

Q. But I mean to say, could you not take one set of accounts here, covering a couple of months, and take the books and ascertain about the percentage of profit?—A. I could come within 10 or 15 per cent of it.

Q. You think you could, I see. Well now, do you keep a stock of goods on hand?—A. Not much.

Q. Some, do you?—A. Very little.

Q. So, when you supply material, you go into the market and buy it, and then resell it, do you? Whom do you buy it from, the manufacturer?—A. We buy it from the dealers here.

Q. Oh, I see, you buy the material from other dealers here, and then you make your profit, whatever it may be, upon the resale of that material to the department?—A. That is right.

Q. I see. Then, can you tell me why it is the department does not buy directly from the dealer—I suppose that does not concern you?—A. No, it does not concern me, but I can readily see why they would not.

Q. Why?—A. They don't know what we mean; we do not know ourselves until we run up against it.

Q. But would not an official, skilled men like Mr. Schmidt and Mr. McConkey, would not they know?—A. I don't know.

Q. Well, they are supposed to know. No doubt, they are efficient professional men in their respective capacities?—A. I suppose so.

Q. At all events, that system has not been pursued, so that the material is got from you, and you make your profit on the turn-over of it?—A. That is right.

Q. It is often the case in other transactions, is it not, that the material is supplied and you are requested to do the work; that is not infrequent, is it?—A. Will you repeat that, please.

Q. In case of individuals and companies, firms, they supply the material and get you to do the work, that is frequently done, is it not?—A. Very seldom.

Q. Not, eh?—A. Very seldom.

Q. That is not often done?—A. It is not the usual practice at all.  
(Adjourned at 1 p.m. to 2.15 p.m.)

2.30 P.M.

ALEXANDER J. FERGUSON, recalled.

*By Mr. Watson:*

Q. Mr. Ferguson, we had an opportunity of having your book-keeper here. Is there any further information you can give us since luncheon?—A. Me?

Q. Yes. A. No, sir, not that I know of.

Q. No further particulars, and no further statements that you can make than those you have made?—A. No.

Q. And is it a fact that someone else here, directly or indirectly, assisted in your financing for the purpose of the orders from this department?—A. I don't understand what you say, sir.

Q. You obtained orders from the Marine Department?—A. Yes, sir.  
Q. From time to time?—A. Yes.

Q. For goods and material. And to perform the work, did any one else here assist in the financing in connection with those orders, and the performance of the work?—A. I had to get some one to help me out financially, outside; no one in the department though.

Q. No one in the department?—A. No sir, nobody.

Q. Was it any one that assisted you in getting the orders?—A. No, sir.

Q. Eh?—A. Nobody at all.

Q. Nobody at all?—A. No. The Union Bank assisted me.

Q. Oh, yes. That was a bank matter?—A. Yes.

Q. And was there any assistance or participation except on the part of the banker?—A. No sir, none at all.

Q. No one else?—A. No, sir.

Q. Any one else endorse for you, or become interested in that way?—A. No, sir, not become interested in my business.

Q. Not in your business?—A. No.

Q. Now then, it is fair all around I think to state to you that we have been informed that the members or one of them for the time being—A. No, sir.

Q. Assisted in connection not only with the obtaining of the orders, but assisted in the financing and in participating as well.—A. No, sir.

Q. Is there any foundation for that?—A. No foundation whatever.

Q. Not at all?—A. Not at all.

Q. I see. Then you used to transfer the account, did you, to the bank?—A. Yes, sir.

Q. And the moneys were paid to the bank?—A. Paid to the bank.

Q. Cheques issued directly to the bank?—A. The bank book—

Q. Cheques issued directly to the bank?—A. To the bank, that is where they come.

Q. By the department?—A. By the department.

Q. So they did not come into your possession at all, into your personal possession?—A. No, went to the bank.

Q. Went to the bank from the agent's office here, or from the office at Ottawa?—A. I don't know, sir.

Q. You do not know?—A. No, sir.

Q. You just credited the amount by the bank in the course of your banking business?—A. Yes, sir. I am notified by the bank that that amount is placed to my credit when it arrives here.

Q. When it arrives here?—A. Yes.

Q. Now, you heard the evidence yesterday of Mr. Schmidt?—A. Well, most of it. On account of being hard of hearing I did not hear the whole of it, some of the words I could not catch.

Q. Did he ever ask you for any favours to himself?—A. No, sir.

Q. In any way whatever?—A. No. I had very little to do with Mr. Schmidt.

Q. You had more to do with others?—A. No, sir.

Q. Did you not?—A. No.

Q. Did you not have to do with any one at all?—A. All I had to do was to just go there and he would show me what was to be done, and I would do it, and that was all I saw of him. I would see him occasionally during the job.

Q. I see. You and your foreman, and then in addition you charged up your own time?—A. I always did, because I am always working on behalf of the job.

Q. You always charged your own time. At what rate did you charge your own time?—A. \$5 a day. You will see it there, I think.

Q. I do not see that distinction anywhere in the accounts, Mr. Ferguson.—A. I would imagine it was.

Q. I would 'to, but I have gone over the accounts very carefully, and I do not see anything of that.

Hon. Mr. CASSELS.—There is one account where he charged for supervising.

Mr. WATSON.—I see, supervising.

Q. So in all these accounts, and in all the work done, you charged for yourself at the rate of \$5 a day?—A. That is what I understand, that is what I told the book-keeper to charge that amount. If he has not charged it I am out some.

Q. Then you had other matters going on at the same time?—A. No, sir; when there is a government job there I always pay my attention to it, up and down the ship backwards and forwards.

Q. Up and down?—A. Yes, we had government work in the shop too mostly always.

Q. You were backwards and forwards in the matter?—A. Yes.

Q. And the long and short of it is then, in a word, that you cannot give any further information than you have already stated in your evidence, with regard to these matters?—A. That I know of.

Q. That you know of, I see. Then with regard to other employees or officials, which of them got some favours from you, if any?—A. None as I know of, I can't remember any.

Q. You cannot remember any?—A. No, sir.

Q. That is as far as you will go, is it, that you cannot remember any?—A. They never asked me for anything, and I never gave them anything.

Q. Eh?—A. They never asked me for anything, and I do not see what I would offer, for it is a continual rush for the job. I get abuse enough from the officials when I am on it to get off of it. I don't see if I did much I would not give those parties any. Another reason, I did not have any to give them.

Q. I see. You did not have any to give them. That was another reason, was it?—A. Yes.

Q. That is another reason, that is what you say. And was it in that way that you said you could not remember ever having given any?—A. I never give any, I said.

Q. Then you won't change that first answer, you won't make it more positive now?—A. Yes. I don't remember; that means I did not give it; I take it in that light. I take it in that light anyway.

Q. I see, that is what you meant by it?—A. Yes.

Q. That will do.

Mr. WATSON.—I am sorry about those cheques, my lord, the gentleman—I forget his name—spoke about this morning. My learned friend and I have had a reasonably accurate system we have followed, my lord, and when books and papers and cheques have been handed to us, after using them here, we have handed them over to the officer from the department, Mr. McLenaghan, who is assumed to be accurate and careful as clerk of the records in the department. He is here solely for the purpose of taking care of papers, that is his duty. It is for that reason he was sent here, and it is in that connection he is here and performing such duties as he can. He is engaged still in looking up the papers, and I hope he will be able to find them. It may be, my lord, that they have been put in the books and may have been overlooked by the firm, or they may, by mistake, have been slipped in the books of some other firm. However, everything will be done that can be done to find them:

Hon. Mr. CASSELS.—Mr. Watson, I have seen the letter you have received. I am not the custodian of the etiquette of the profession for the Dominion, but I was very sorry to see a letter written by such a prominent firm framed in the language in which it was. These cheques were brought here for the purpose of the court, they will no doubt be forthcoming, and I must confess it impressed me very strongly that it was not the sort of thing that would have been done in our province at all events, the writing of a letter of that kind.

Mr. WATSON.—My lord, I have nothing to say further.

Hon. Mr. CASSELS.—I know, but we are all interested in the etiquette of the profession.

WILLIAM J. HOPGOOD, sworn.

*By Mr. Watson:*

Q. Mr. Hopgood, you are in business here at Halifax, and your line is groceries and fruit, and the like?—A. Yes.

Q. Here are some accounts that have been furnished to the department, or rather to the agent here of the department of Marine and Fisheries by a merchant of the city, and I would like very much if you would be good enough to look over those accounts, and see what you think of the prices that are charged, being in that line of business as you are. Take for instance that account first. (Hanging account to witness.) You have not been interviewed at all, no one has seen you in respect to the matter?—

A. No.

Q. No one has spoken to you at all about the matter. Those accounts, I think, are for 1904?—A. 1904.

Q. Just take and run over them, see how they strike you. I suppose you are quite familiar with prices?—A. Oh, fairly well, yes. Well, I don't think they are overcharging.

Q. Is there another page after that?—A. No, that is just the order, I guess.

Q. That is the order?—A. Yes. The prices are about right, I should say.

Q. Do you recollect the prices at that time?—A. Most of them. 1904, there would not be much difference. Perhaps they are a little higher now.

Q. Perhaps it may be convenient for you to make some reference, if you would be good enough to do so?—A. For instance, two dozen tongue—it is very hard to tell whether ox tongue or lunch tongue—2 pound; the same with corned beef, and most other things. I don't think there is any overcharge about the prices.

Q. Do you mean to say it would depend on the quality?—A. Quality, and size of the tins. Two dozen tongues—it is hard to say what size or quality, whether ox tongue, lunch tongue, lamb's tongue; the same with corned beef. In looking over this I don't see anything out of the way.

Q. You have not furnished anything to the department?—A. I have never had that pleasure.

Q. You never had that pleasure, I see. I will just ask you then, afterwards—in looking over this first small account in August 8, 1904, you say it depends upon qualities, you are not able to criticise?—A. There are some things you cannot very well tell.

Q. You cannot tell about?—A. No.

Q. Perhaps you would be kind enough—could you remain here a little while and look over these just there? They are public documents. If you will go through them and then speak to my learned friend or to me as soon as you get through them.

(Witness retires with accounts.)

Mr. WATSON.—Is Mr. Leaman here?

Mr. LEAMAN.—Yes.

Mr. WATSON.—You may keep your place. Would you be kind enough to look over some of the accounts after Mr. Hopgood gets through? and the same with Mr. Outhit. We will hand them to you afterwards if you will kindly remain. We won't keep you long.

SAMUEL CASE sworn.

*By Mr. Perron:*

Q. Mr. Case, you are in the employ of the Department of Marine and Fisheries? A. Yes, sir.

Q In what capacity?—A. Boat builder.

Q. How long have you been there?—A. Ever since 1906.

Q. 1896 or 1906?—A. 1906.

Q. Two years, is that it?—A. I went in there, sir, the first part of the year.

Q. In what month?—A. In February.

Q. February, 1906?—A. Yes.

Q. How many men have you under you there?—A. Well, sometimes I have four, about the lowest, from that to six. Now at the present I have eight.

Q. You have eight men under you?—A. I am counting myself.

Q. Counting yourself, eight men. Where is your shop?—A. In the dock yards, sir, the south part of the dock yard.

Q. Is it far from the stores?—A. Not far, sir, about a hundred yards.

Q. So you are in a position to see what is going on in the stores?—A. In which stores?

Q. In the stores of the department?—A. Not much, sir, only when I go on business.

Q. Do you go there often on business?—A. Probably once a week, and I might not go there once a week.

Q. Who is in charge when you go?—A. Who is there? Well, Mr. Macnamara, of course, he is storekeeper.

Q. Whom did you see generally when you went there?—A. Generally when I go, there is Mr. Russell or Mr. Bogle.

Q. Russell or Bogle?—A. Yes, sir.

Q. Very seldom, Mr. Macnamara?—A. I see him very often.

Q. But Mr. Russell and Mr. Bogle seem to be in charge?—A. Seem to be there very much in the business.

Q. When you need goods, do you ask for them?—A. No, sir.

Q. Where do you get the order for goods when you need them, nails and so forth?—A. I get it from the store office, rather from Mr. Mitchell.

Q. Mr. Mitchell would give you an order, and then you would take it down to the store?—A. Yes, sir.

Q. And do I understand nothing could go out of the store unless an order was given by Mr. Mitchell?—A. Nothing by me unless an order by Mr. Mitchell.

Q. That is not what I am asking you. I am asking you is it possible for any one to get goods out of the store without an order from Mr. Mitchell?—A. Not unless they want to steal or—

Q. But in the regular way nothing could be obtained out of the store unless through an order signed by Mr. Mitchell?—A. That is the orders I got.

Q. That is what you have always found since you have been there?—A. I always—it was not so when I went there first; I got from Mr. Macnamara, not Mr. Mitchell

Q. When you went first the orders were given by Mr. Macnamara?—A. Yes.

Q. How long?—A. A year ago.

Q. And then?—A. It was changed, I was to get my orders from the office.

Q. Can you tell why that was done?—A. No.

Q. No idea whatever?—A. No idea in the world.

Q. One day they told you instead of getting orders from Mr. Macnamara you had to get them from the office?—A. Yes, sir.

Q. And before then did you get orders, or simply go there and get goods?—A. No, I got orders.

Q. When Mr. Macnamara was there in the store himself, you did not need any order?—A. Of course, he had to give me the order to get. I could not get it without.

Q. Now, would you send your man sometimes to get goods there?—A. No, sir.

Q. Always go yourself?—A. No, I did not always go. I went myself and got the orders, and got my men to work and draw it; I did not bring it away myself.

Q. Did you go and choose the goods yourself, pick them out yourself?—A. I picked out the goods I wanted and got them checked off from the list.

Q. Is there always somebody in charge of the store?—A. I cannot say always. Always when I go there there is a man in charge, and serves me with whatever I want.

Q. Now, Mr. Case, you are aware that the public is under the impression, rightly or wrongly, that goods are being stolen from these stores, you are aware of that, are you not?—A. I heard rumours.

Q. Yes, you are aware that those rumours have been current for the last half year or so?—A. I have not heard it that long. I have heard by the papers and the rumour going round at present; I never heard it before.

Q. But you are aware now of these rumours of goods being stolen from the dockyard and from the stores?—A. I presume that is what brought me here, that is all.

Q. What can you tell me about this?—A. No more than what I am telling you. Q. Is it not within your knowledge that goods have been taken away from the shop, or from the dockyard?—A. No, sir, no case of any kind.

Q. Did you hear of some cases?—A. Nothing but what I heard in the papers.

Q. Outside of that, have you heard in the dockyard that goods have been taken out?—A. No, sir.

Q. You never knew of it?—A. No.

Q. You never heard of it?—A. No.

Q. It never came to your knowledge, directly or indirectly?—A. No, sir, it did not.

Q. Do you know Mr. Henry?—A. Mr. Henry?

Q. Yes, he is the manager of Mr. Roche?—A. Oh, yes, I know him.

Q. How long have you known him?—A. Oh, I guess I have known him probably thirty years.

Q. Do you know if he has a yacht?—A. I don't know.

Q. You have never seen her?—A. He has a boat of some kind.

Q. He has a boat?—A. Yes.

Q. Have you seen it?—A. Yes.

Q. When?—A. I saw it last summer at his wharf.

Q. At his wharf?—A. Yes.

Q. Did you see it a year ago?—A. Well, I should judge about that, probably a year ago.

Q. Where was it?—A. It was moored at his wharf, near there at his place.

Q. Did you see it at the wharf of the dockyard?—A. Yes, I saw some boat at the dockyard.

Q. When?—A. I don't know exactly, it might be a year ago.

Q. What season was it, in the winter?—A. No, summer.

Q. Did you see it in the winter at the dockyard?—A. Yes.

Q. Did you see it in the winter at the dockyard?—A. Yes, sir.

Q. That is what I want to know. You saw it there in the winter?—A. Yes, sir..

Q. Where was it?—A. It was hauled up in the north boat shed?—A. In the shed of the department?—A. Yes, sir.

Q. Who had put it there?—A. I don't know.

Q. Why was it there?—A. I could not tell you that.

Q. How long did it stay there?—A. It was there all the winter.

Q. Who did work upon it?—A. I couldn't tell you, sir.

Q. You saw men working on it?—A. I don't know as I did.

Q. Well, did you?—A. I had no need to go in the shed. I had nothing to do up there.

Q. I am not asking you that at all. I am asking whether or not you saw men working on the boat in the shed?—A. I think I saw a man working there some dinner time.

Q. You saw a man working at her?—A. The dinner time, lunch time.

Q. You saw a man working?—A. Yes, sir.

Q. How many men did you see working at this boat?—A. I couldn't tell you that.

Q. Who was it?—A. I don't know. There was a man working in the dockyard. I don't know his name.

Q. But some of the employees of the department?—A. Yes, sir, I presume.

Q. Is he there still, that man?—A. I couldn't say.

Q. You have not seen him since?—A. I can't have met him.

Q. Have you?—A. There are men there I really don't know if I meet them.

Q. What I am asking you is, did you or did you not see employees of the department working on that yacht?—A. I told you I did.

Q. Who was there?—A. I don't know the name of the man.

Q. Are they there still, have you seen them?—A. I don't know, sir.

Q. Have you seen them lately?—A. I couldnt' say I have.

Q. When did you see them the last time?—A. It might have been six months ago.

Q. Well?—A. I don't know. I have never noticed them since.

Q. You saw them once, and forgot all about it?—A. I went up to see in the window, and saw someone was getting the boat ready, fitting her up.

Q. Making repairs?—A. Painting, I think.

Q. And you swear now it is utterly impossible for you to tell us who it was you saw working there?—A. I really don't remember who it was.

Q. You cannot tell?—A. It was like a good many other things, if you asked me who I saw working on a particular boat last year, I could not tell you.

Q. It must have struck you that the employees of the department were not going to do work on boats for individuals?—A. No, sir, it was not any of my business.

Q. I understand, you did not want to see?—A. I don't see anything except what belongs to my business.

Q. You don't want to see what you can help, that is the long and short of it. You don't want to see. Is it the same answer you are going to give me about goods being taken out of the yard, stolen?—A. Of course, it does not concern me.

Q. I am not asking you that at all. I am asking you about goods which might be stolen from the yard. Is it the same thing; you do not want to see, and did not look?—A. Of course, I did not. It was not my goods, it was not where I was working.

*By Hon. Mr. Cassels:*

Q. Did you see any goods stolen?—A. No, sir, I did not.

*By Mr. Perron:*

Q. You did not want to see any?—A. I was not looking around, it was not my business to go in the store and look around. I look after my own place.

Q. So, when you saw parties working on a boat belonging to an individual, it was not your business to know who they were?—A. I dont' think it is.

Q. You never knew this man before?—A. I didn't say I never knew him, but I cant' tell you who the man was.

Q. Cannot you give his name?—A. I am on my oath and cannot.

A. Now, do you know if Mr. Parsons, the son of the agent, has a boat there?—A. I don't know he has now. He had one in the summer.

Q. How long did he have the boat?—A. It is pretty hard to say. I don't think she was there very long.

Q. She was along the dockyard, this boat?—A. She was tied up.

Q. Have you seen her ashore?—A. Yes, sir.

Q. In the shed?—A. I saw her in the shed.

Q. Being repaired there?—A. No, sir.

Q. Did you see her being repaired at all?—A. No, sir, I did not.

Q. Do you know if work has been done on her?—A. No, sir, I don't.

Q. You do not know?—A. No, sir, I don't.

Q. You never heard of work being done on her?—A. I never heard anything about her.

Q. And you never heard that lots of work had been done to Mr. Henry's yacht?—A. I never heard anything about it. I tell you, she was painted. It might have been his own men.

Q. It might have been his own men?—A. Yes, done a good deal of it.

Q. Listen. Do you tell me Mr. Henry's men were working on the boat?—A. I did not say.

Q. Why so?—A. I saw men working there in the dinner hour.

Q. You told me, employees of the department?—A. One man I saw, a workman or employee.

Q. Why do you tell me now it might have been Mr. Henry's men?—A. It might have been.

Q. Do you know?—A. I don't know.

Q. Why do you say that, is it a general thing?—A. It is a general thing to have a man around his own boat.

Q. It is a general thing. That is what makes you say that. You may withdraw.—A. All right, sir.

William McDonald, George Harrison and G. Russell, called, not present.

Mr. PERRON.—My lord, I gave instructions before lunch time that these men should be sent here.

AMOS McLENNAN, sworn.

*By Mr. Perron:*

Q. Mr. McLennan, you are also in the employment of the Department of Marine and Fisheries?—A. Yes, sir.

Q. In what capacity?—A. I am inspector of buoys.

Q. Inspector of buoys?—A. Yes, sir.

Q. How long have you been there?—A. Fifteen years; not at that work, of course.

Q. I cannot hear you?—A. Not as inspector of buoys.

Q. What were you before?—A. Foreman carpenter.

Q. How long have you been inspector of buoys?—A. About, I think about one year.

Q. Well, what are your duties at present, as inspector of buoys, what do you do?—A. I look after the cleaning, painting, any repairs.

Q. Of the buoys all along?—A. When they are brought in at the wharf.

Q. At the wharf?—A. Yes, sir.

Q. You do not go outside of Halifax at all?—A. I go outside on gas buoys only.

Q. How far do you go, throughout all the provinces of Nova Scotia?—A. As far as our district extends.

Q. You purchase goods for these buoys?—A. Some.

Q. Yes, what do you purchase?—A. Carbide.

Q. Carbide and what?—A. Sometimes some chain.

Q. And?—A. Oh, other light repairs necessary, anything in that way.

Q. From whom do you purchase chains?—A. I write out a request in the agency.

Q. But from whom do you generally get the goods?—A. I get the goods from—

Q. Whom do you get goods from most?—A. William Robertson is one firm.

Q. William Robertson; and?—A. I don't know of any others. There may be different firms. I just simply sent in a request to the agents.

Q. I asked you whom you deal with generally. You say William Robertson in some cases?—A. Yes.

Q. In other case?—A. In other cases, Kelly.

Q. Which Kelly?—A. I don't know his first name.

Q. What is his business?—A. On Granville street.

Q. What business is he in?—A. Saddlery, I think, you call it.

Q. Yes, and?—A. Repairs were made by the Nova Scotia Iron Works.

Q. What?—A. The Nova Scotia Iron Works.

Q. The Nova Scotia Iron Works?—A. The Nova Scotia Iron Works.

Q. Who is manager?—A. Mr. Evans.

Q. Of Halifax here?—A. Yes, the works are in Dartmouth.

Q. He works at Dartmouth?—A. His works are in Dartmouth.

Q. That is where you go when you want something?—A. No; I go to the agent.

Q. You say you have been 15 years in the department as boss carpenter?—A. Yes, sir.

Q. You know about the prices of goods?—A. Fairly well.

Q. You know what the value of goods is?—A. Yes.

Q. You approve the accounts when they come in, I suppose you certify them?—A. No, sir.

Q. You do not?—A. Very seldom.

Q. You have been consulted about prices charged by William Robertson & Son.?—A. No, sir.

Q. Nobody ever spoke to you about it?—A. No, sir. It goes in to the agent.

Q. Well, did the agent speak to you about the prices charged by Robertson?—A. I make out the request, I have nothing further to do.

Q. But when the goods are received, and before certifying the account have they talked to you about the prices?—A. They have.

Q. Who spoke to you about the prices charged by William Robertson?—A. After the account was rendered do you mean?

Q. Yes.—A. Mr. Tremaine.

Q. Have you been going over some of these accounts?—A. Some of them.

Q. Have you been in court the whole time?—A. Only twice.

Q. Were you here when Mr. Robertson gave his evidence?—A. I think the first day I was.

Q. You heard his evidence?—A. About his books. I didn't hear the next.

Q. Did you hear about the overcharges? You have heard he had overcharges?—A. I have read the papers.

Q. You have read the papers. You know all about those overcharges?—A. Yes.

Q. Now, tell me, why you passed those accounts?—A. I don't think you can find where I signed.

Q. You don't think we will find overcharges where you signed?—A. I don't remember signing overcharges as far as I know.

Q. Did you look carefully into the accounts?—A. Yes, sir.

Q. And you state to his lordship whenever you certified an account of William Robertson, you are sure that nothing but retail prices were charged?—A. I don't know about the retail prices, sir.

Q. Speak a little louder, please.—A. I don't know about the retail prices, sir.

Q. How can you certify the accounts then?—A. I don't think I certified but very few accounts.

Q. Very few accounts. What would they amount to, three or four thousand dollars, five thousand dollars?—A. No, sir.

Q. How much, two thousand dollars?—A. You mean in what time?

Q. Oh, in three years, 1904-5, 1905-6, 1906-7?—A. I could not say what they would amount to.

Q. Well, about \$2,000, not less than that, surely out of the \$55,000 to \$60,000 worth that William Robertson sold?—A. I don't know. It was so very few I signed.

Q. You do not know the price of the goods?—A. I don't know the exact price.

Q. And you certified to the account, the prices in the account?—A. I didn't say I certified.

Q. And the vendors are paid on your certificate, is that what you state now?—A. No, sir.

Q. Well, what do you say?—A. I say I certified some, I suppose.

Q. You certified some, and you did not know the retail prices nor the wholesale prices?—A. Not exactly.

Q. Not exactly. And you put your certificate to the account; that is what it is, is it?—A. I don't know whether that is it or not, I certified to the best of my ability.

Q. I understand that. Did you state you were not able to do it, that you had not the necessary qualification?

Hon. Mr. CASSELS.—Has he certified any of these accounts?

Mr. PERRON.—Yes, my lord.

Q. Well, we will leave it that way.—A. I don't know what accounts I certified.

Q. You know you have?—A. Yes, I think I have.

Q. And you say to his lordship you did not know the prices, and yet have certified. Well, what has happened with William Robertson & Son, I suppose has also happened in all the other cases with the other merchants, you certified to their accounts not knowing exactly the value; is that it?—A. I don't understand, your lordship.

Q. You do not understand me?—A. No.

Q. I say in the case of other merchants who have been selling to the department, you have certified to their accounts without knowing exactly the value of the goods or the prices?—A. I don't know, I have certified to very few accounts.

Q. I know. But those you certified you did not know what the value was of the goods, or the prices?—A. I certified to the best of my ability what I considered fair and just, if I certified them.

Q. But you did not know the retail prices, the wholesale prices or the prices at all of the goods. Now, you have seen some yachts around the wharf there belonging to Mr. Henry, one of them, have you seen it?—A. I saw a yacht there.

Q. Belonging to Mr. Henry?—A. Yes.

Q. You saw her ashore also in the shop?—A. No, sir, not in the shop.

Q. Where was she when you saw her?—A. She was hauled out, out of the water in the slip.

Q. She must have been pretty near the shore?—A. Altogether.

Q. Yes.—A. She was not in the shed though.

Q. I see the distinction, she was ashore, but not in the shed; that is what you mean?—A. Yes.

Q. Now what were they doing to her?—A. I saw nobody working on her.

Q. You feel sure that no work was done?—A. I don't feel sure.

Q. Well, what do you say, do you know that work has been done to this yacht?—

A. Yes, sir.

Q. By the employees of the department?—A. I cannot say.

Q. You cannot say?—A. No.

Q. Have you seen men working at her?—A. No, sir.

Q. You were passing there every day, three times a day?—A. No.

Q. How many times did you see her, once or twice, three times?—A. I saw her three times.

Q. Three times?—A. Not passing, but at a distance.

Q. You saw her?—A. Yes.

Q. Nobody around when you saw her?—A. No, sir.

Q. You know that repairs were made to her?—A. When I passed her she was painted.

Q. Painted, and looking better than when you saw her the first time?—A. Yes.

Q. How is it she was brought in the yard?—A. I do not know.

Q. Why was she brought there?—A. I don't know.

Q. Why?—A. I could not answer.

Q. No idea?—A. No.

Q. You do not think it was to repair her—don't you think that was the reason why?—A. I don't know why. There are lots of places to repair her.

Q. No, do you know if Mr. Parsons had a yacht, the son of the agent, or Mr. Parsons himself?—A. There is a yacht there said to belong to his son.

Q. You are very careful, you never inquired whether it belonged to his son or not, you never asked anybody?—A. No.

Q. You never thought of that at all?—A. None of my business.

Q. Of course, everybody has got to mind his own business in this yard?—A. Yes, sir.

Q. Is that the idea?—A. Yes.

Q. Everyone must strictly adhere to that, mind his own business?—A. I suppose so.

Q. Keep his eyes shut, not see what is going around at all, is that it?—A. Very likely.

Q. Is that the way you put it?—A. It might be that way.

Q. His ears shut, not to hear what is going on; is that it also?—A. It may be.

Q. It may be so. Everyone goes there and takes good care not to see what is going on except his own business. That is the way these shops are managed, this yard is managed; is that it?—A. I suppose.

Q. I suppose. Well, that is the reason then I suppose that you are not able to tell me who made the repairs to the yacht of Mr. Henry, you kept your eyes shut, and your ears closed; is that it Mr. McLennan?—A. I was not in that part of the yard.

Q. Well, talk about your part of the yard. Where is your part of the yard?—A. No. 3 pier.

Q. Who is your neighbour there, have you got a neighbour, or did you see him, have you a neighbour there in No. 3 yard?—A. I don't know what you mean.

Q. Have you got someone working near you?—A. There is men there working on the buoys.

Q. You do not know who they are, I am sure you do not, do you?—A. Who is working with me on the wharf?

Q. Near you?—A. Yes, sir.

Q. Oh, you found out that?—A. Yes.

Q. Now when you go around your buoys there, have you got a yacht, or how do you go from on board the steamers?—A. On board the steamers?

Q. Yes, the *Lady Laurier*?—A. Yes, sir.

Q. Of course, you have never seen anything on the *Lady Laurier*, you got on board and did not look?—A. I mind my business.

Q. You mind your business. You are a very careful man indeed. Now, when things are taken out of this yard you do not see them, I suppose you never saw them; it was not your business, was it?—A. It was my business to watch.

Q. It was not your business to watch?—A. It was my business if I saw anything going out of the yard to notify the agent.

Q. What did you see going out of the yard?—A. Nothing.

Q. Nothing at all?—A. No, sir.

Q. Have you heard a rumour in town here that things have been stolen from this yard?—A. Yes, I have heard a rumour.

Q. Yes, how long ago, six months, seven months ago?—A. I heard it here in the papers.

Q. Yes. Did you look round then and watch?—A. No, my duties don't permit me.

Q. So surely you have not seen anything going out if you did not look, eh?—A. Certainly, I did not see anything.

Q. Where do you buy your groceries?—A. Different places, sir.

Q. Where?—A. Different places.

Q. Are you trading with the gentlemen who are selling to the department?—A. Not to my knowledge.

Q. Not to your knowledge, oh, I see. Who would know if you do not?—A. I don't know who is dealing with the department.

Q. You do not know who is dealing with the department. Are you buying yourself from people from whom you buy for the department, have you been buying?—A. I don't know who is on the patronage list.

Q. I am not asking you about that at all?—A. I can tell you who I buy from—

Q. No, I do not want to interfere with your private affairs at all. I want to know if you have been buying from people from whom you bought for the department?—A. No, never.

Q. What favours did you get?—A. I got nothing.

Q. From people from whom you bought for the department?—A. Nothing.

Q. Never got anything?—A. No, sir.

Q. What did you get out of the dock yard?—A. Out of the dock yard?

Q. Yes?—A. I don't understand the question.

Q. What did you get out of the dock yard, out of the stores, what did you take there?—A. I took nothing. You mean for my profit

Q. Yes?—A. Nothing.

Q. Nothing at all?—A. No, sir.

Q. That is all.

Mr. WATSON.—Will your lordship pardon me, and my learned friend, too? There is some correspondence which I observe which I would like to ask the witness about.

Q. As inspector of gas buoys you know, I suppose, something of the stock on hand from time to time of gas buoys?—A. Yes.

Q. And you recollect of a large shipment of gas buoys here to Halifax, sometime in 1906 and 1907, 15 or 20 gas buoys?—A. Yes.

Q. 15 or 20 gas buoys?—A. Yes, sir.

Q. How long were they lying around here on the wharf unused and not required, a year or so?—A. No, not a year.

Q. Eh?—A. Some may have been a year.

Q. Some may have been a year?—A. Yes, sir.

Q. Do you know whether or not they were ordered?—A. I know nothing about the orders.

Q. There were 15 of them, I understand, about that?—A. Yes, sir, there would be that many, I suppose.

Q. Shipped here from Prescott. And, according to our information, there was no use for them, they were not required, and they were lying here on the wharf for nearly a year; is that about correct?—A. Yes, sir, that is about correct.

Hon. Mr. CASSELS.—Were those the Wilson buoys?

Mr. WATSON.—Yes, my lord, shipped from Prescott.

Q. Do you know if those were the Wilson gas buoys?—A. Yes, sir.

Q. And those gas buoys cost a lot of money, \$3,000 or \$4,000 each, I believe. You know about that?—A. I don't know the price.

Q. You know they are valuable. Then did Mr. Parsons ever say anything to you about those buoys lying there unrequired?—A. No, sir. I was not in charge of the buoy service at that time.

Q. You had not charge at that time?—A. No, I think that was before.

Q. Who was in charge at that time?—A. The superintendent of lights.

Q. What was his name?—A. C. A. Hutchings. That would be two or three years ago, would it not?

Q. Yes, 1906-7?—A. Yes.

Q. These buoys were sent here, not required for use. They would deteriorate a good deal if lying there for a year?—A. Certainly.

Q. Depreciate and deteriorate in value. Whatever came of them afterwards, were they used or sent back, or what?—A. They were in use.

Q. You have got them in use now, all of them?—A. Except—

Q. Half a dozen or so?—A. Not more than half a dozen which we required for changing.

Q. Half a dozen which were not put in use?—A. Yes, sir.

Q. The others were used by this time in the course of a couple of years after they were obtained?—A. Yes, sir.

Q. Is that the general system there?—A. I do not know about those buoys. Of course, we only have a sufficient number to make changes.

Q. That will do.

GEORGE HARRISON, affirms.

*By Mr. Perron:*

Q. Mr. Harrison, how long have you been in the employment of the department?—A. Oh, about thirteen months.

Q. Fifteen months?—A. No, thirteen months.

Q. In what capacity?—A. Upholsterer.

Q. Where were you?—A. Brady & Morris.

Where?—A. In the city of Halifax.

Q. How many men have you got under you?—A. I have only got three now.

Q. Have you been purchasing goods for the department?—A. Never.

Q. Never?—A. Excuse me for asking that question, my giving an order, is that my purchasing?

Q. Yes?—A. Well then, I have.

Q. You have given orders?—A. I have given orders.

Q. And you have received the goods?—A. Yes.

Q. And have certified to the reception of the goods?—A. Yes, sir.

Q. And as to the quality and price?—A. Yes. I don't know the price, they don't charge me there.

Q. You do not know anything about the price?—A. The quantity I can give you.

Q. Quantity and quality I suppose?—A. Yes.

Q. Nothing about prices?—A. No.

Q. You have never been called upon to certify as to prices?—A. No.

Q. Whom did you get the goods from generally?—A. Brady & Morris.

Q. A large amount?—A. I don't know anything about the prices.

Q. But it is quite a large amount, large quantities?—A. No, it aint. A few things, 60 or 100 yards of different—

Q. Were you placed there by Mr. Morris or Mr. Brady?—A. No; I wish they did place me, but they didn't.

*By Hon. Mr. Cassels:*

Q. What would you have done?—A. I would have to work for them.

*By Mr. Perron:*

Q. Well, now, do you see what is going on there yourself?—A. What do you mean, sir?

Q. Do you see what is going on around, or do you mind your own business, as others do?—A. I see everything is going right in my own business.

Q. You mind your own business?—A. And see the work is done.

Q. The business around you you do not bother about?—A. No, it has nothing to do with me.

Q. They might steal all there is in the dockyard, providing they did not touch your own stuff, you would not care?—A. No, I don't care for it. It is none of my business.

Q. It is none of your business?—A. No.

Q. A pretty good system?—A. Oh, well, that is all right, as much as a man can attend to is his own business.

Q. They can go to steal when they like, provided they do not touch you, you do not care, that is it. Well now, what has disappeared from your shop?—A. What?

Q. What has disappeared from your shop?—A. Disappeared from my shop?

Q. Yes?—A. Nothing I know of, sir.

Q. Nothing you know of?—A. No.

Q. Never knew of anything disappear?—A. Never, sir.

Q. Now, going around there, have you seen Mr. Henry's yacht?—A. Mr. which?

Q. Mr. Henry's yacht?—A. No, I never seen Mr. Henry's yacht.

Q. Mr. Parson's?—A. No.

Q. You don't know anything about that?—A. I don't know anything about that.

Q. You just close your eyes going to your shop and coming out?—A. There is no necessity of that.

Q. You do not look, that is all—A. I am not called to look.

Q. Well, do you know of anything being taken away from this store?—A. I do not.

Q. Nothing at all?—A. Nothing at all.

Q. Never heard of it?—A. Never heard of it.

Q. You never heard it in town here that anything was stolen from the shops?—

A. I never heard that.

Q. But that is after working hours, I suppose that is the reason why you hear?—

A. What?

Q. You heard of that after working hours?—A. Yes.

Q. That is the reason you heard. During working hours you would not have heard?—A. No, that is very true.

Q. That is right. Well now, what did you hear?—A. I did not hear anything.

Q. You did not hear anything? Well, the same rule applies everywhere, in Court and everywhere. Now, what did you hear? You told me you heard rumours that things were stolen in the yard?—A. Well, I saw by reading the papers.

Q. I am not talking about the papers.—A. What do you ask? Are you asking me a direct question?

Q. What do you mean?—A. You ask a direct question, and I will give you a direct answer.

Q. What do you mean?—A. You asked me if I heard stories of things stolen?

Q. Yes.—A. Well, I saw it in the papers.

Q. Otherwise?—A. No, I never heard anything directly.

Q. That is what I want to know.—A. I am going to give the answer directly.

Q. Have you heard indirectly of things being stolen, outside of the newspapers have you heard on the street?—A. What?

Q. That things have been stolen from the dockyard?—A. I never did.

Q. That is all. You may retire.—A. Is that all right?

GEORGE J. T. RUSSELL sworn.

*Examined by Mr. Perron:*

Q. Mr. Russell, how long have you been in the employment of the department?—

A. Some six or seven years.

Q. In what capacity?—A. Well, first I went into the employment, I went there as assistant storekeeper.

Q. Assistant storekeeper. Who was the storekeeper at the time?—A. Mr. Macnamara.

Q. Mr. Macnamara. So Mr. Macnamara has been there for six or seven years?

—A. Yes, he was there longer than me.

Q. Well, you are just his assistant?—A. No.

Q. What are you doing at present?—A. I am timekeeper.

Q. For how long have you been timekeeper?—A. About two years. First when I went to Dartmouth I was made timekeeper in 1906.

Q. I understand you are also looking after the stores?—A. To a certain extent, a very small extent I am shipping clerk more than anything else.

Q. How many men have you got under you?—A. Just now about 105 or somewhere thereabouts.

Q. They all get extra time, do they not?—A. If they make extra hours.

Q. Yes, that is right.—A. As to the question of some who are monthly men, they don't get extra time.

Q. But labourers get extra time if they work Saturday afternoons?—A. Yes, if they work Saturday afternoons.

Q. At what hour on Saturday do you start extra time?—A. After five hours. Five hours constituted the day's work on Saturday.

Q. And the balance is extra time?—A. The balance is extra time.

Q. How much do you give them per hour?—A. Well, the extra time is about 19 cents an hour if it is \$1.50 a day. It depends on the rate. Some are rated more than others. They vary from \$1.50 to \$2.50.

Q. They all work Saturday afternoons?—A. No, it is an occasional thing.

Q. I understood from one, Merlin, he was working nearly every Saturday afternoon?—A. That was the busy season, and only for one or two men, the packers, the packers of lighthouse supplies.

Q. The other men do not work generally on Saturday?—A. Unless there is some special call for it.

Q. Now, it was, and still is, part of your duty to watch the store to see nothing goes out from there unless ordered?—A. No, I do not think it is. Of course, if I am in the store, because my duties require me to be around.

Q. Are you also one of those who mind their own business?—A. Not at all. I do my duties, I perform my duties to the best of my ability.

Q. Now, how are you allowed to deliver goods out of the store, how are goods delivered, upon whose orders?—A. Upon orders from Mr. Mitchell.

Q. And before that it was upon orders from Mr. Macnamara?—A. Now, Mr. Macnamara is really the storekeeper, if my memory is right there, he would deliver the goods.

Q. You have heard Mr. Case telling us that until a year ago the goods were delivered upon an order from Mr. Macnamara?—A. I didn't hear Mr. Case say that at all.

Q. He told us that. Do you know why it has been changed?—A. Well, I think it has been changed for the purpose of having a more systematic way of doing things.

Q. So as to have more control of the shop and the stores?—A. It was a more systematic way of doing things.

Q. For more control of the store?—A. No, I cannot say that.

Q. You cannot say that, or you won't say, which?—A. I cannot say that, because I do not clearly understand what you mean.

Q. A better system?—A. Yes.

Q. But not only that. Do you remember when an order came not to deliver goods from the store, unless upon an order signed by the office, that some trouble had arisen because goods had been taken away?—A. No.

Q. You do not remember that?—A. No.

Q. No knowledge of that?—A. No.

Q. Of course, you never saw goods go out there, being stolen?—A. Certainly not.

Q. You never heard of goods being stolen from there?—A. Not until recently.

Q. You never heard of this before?—A. No.

Q. You never noticed that goods were going out of this shop?—A. No.

Q. Otherwise than for the purpose of the department?—A. No. I had no knowledge of anything of the kind.

Q. Now, do you swear to that?—A. I do.

Q. You never heard of it except lately?—A. I do.

Q. You never heard of it except lately?—A. I do.

Q. Do you know anything about this chain block?—A. No.

Q. Never heard of it?—A. No.

Q. You don't know anything about it?—A. I don't know anything about it.

Q. Do you know anything about the yacht there, about Mr. Henry's yacht, have

you seen her around?—A. I saw a little ship of some kind, which I was told was Mr. Henry's.

Hon. Mr. CASSELS.—Was there a certain amount of work done to that yacht?

Mr. PERRON.—We do not know. We know it was repaired. This witness should be able to tell us, he is the timekeeper.

Q. You know this boat has been repaired there?—A. No, I don't know anything about it.

Q. And you were the timekeeper, you never saw any men working on that boat?—  
A. I never saw any men working on that boat.

Q. You never heard that a man had been working on that boat?—A. I never heard.

Q. And you were the timekeeper?—A. Yes.

Q. How is that, what have you got to say, how can you explain that?—A. Well, as timekeeper I take from the foreman of the men the statement as to what the men have been doing, and make a summary of it every month, and I know from the foreman of the men.

Q. But you must go round and see if the men are working?—A. I do, and I have never seen any men working.

Q. Take Mr. Cace, he saw men working on her?—A. Mr. Case has a lot of men under him.

Q. It was not any of his men at all, none of his men at all, but a man from the yard working on this boat. And you did not see it?—A. No, I did not see any work being done on that boat, that I was told was Mr. Henry's boat.

Q. Speak out.—A. I did not see any work being done on that boat that I was told was Mr. Henry's boat.

Q. Were you instructed to charge time to Mr. Henry for work done to this boat?—A. No.

Q. You never charged any time?—A. No.

Q. That is all.

WILLIAM MACDONALD, SWORN.

*By Mr. Perron:*

Q. Mr. Macdonald, how long have you been employed in the department?—  
A. About twenty years.

Q. I understand you are hard of hearing?—A. A little hard of hearing, sir.

Q. Always chief blacksmith?—A. Always.

Q. How many men have you got working under you?—A. Well, there are three others besides myself. I have a helper and another blacksmith has a helper a little better than a year.

Q. Well, you must know pretty well what is going on in this yard?—A. No, I don't know much about the yard at all.

Q. You do not?—A. No, sir.

Q. You keep to your own shop, I suppose?—A. Yes, sir.

Q. Outside of it you don't know what is going on?—A. No, nothing at all whatever.

Q. Nothing whatever. Have you been called upon to make repairs on a yacht there?—A. No.

Q. Have you seen the yacht?—A. No.

Q. You have not?—A. No. What yacht do you mean?

Q. Mr. Henry's yacht?—A. No, I don't know her at all.

Q. Mr. Parson's yacht, do you know her?—A. Well, I have seen a yacht there that they said was Mr. Parson's son's. I don't know anything at all about the yacht.

Q. Have you seen her being repaired?—A. I have not.

Q. Now, have you learned or heard of things being taken away, stolen?—A. No, I don't think so. You hear rumours sometimes, but it don't amount to anything.

Q. When did you hear those rumours?—A. Since this court, Saturday.

Q. Before then?—A. Nothing before that.

Q. You never heard anything before?—A. Nothing to speak of, I couldn't say I did.

Q. You do not remember of anything?—A. I don't remember of anything much.

Q. You have never seen anything yourself going out?—A. No.

Q. You have never heard?—A. No.

Q. That is all.

CHARLES LAMPIERE, sworn.

*By Mr. Perron:*

Q. You are chief of police there, Mr. Lampiere?—A. Yes, sir.

Q. How long have you been there?—A. Since January, 1907.

Q. And before you were employed in the dockyard?—A. In the Imperial service, yes, sir.

Q. So you have been there quite a number of years?—A. I have been there twenty years.

Q. Always chief of police?—A. This last nine years, sir.

Q. You are in charge of the gate?—A. In charge of the gate, yes, sir; general supervision of the yard.

Q. Around?—A. Yes, sir.

Q. How many men have you at the gate?—A. Two men at each gate, one night and one day man.

Q. Who are they?—A. Mr. Phelan, Mr. Baker, Mr. Cashel, and Mr. Scanlon.

Q. How long have they been there?—A. They have been there, Phelan I think has been there since May, 1907; Baker sometime later, July, something of that date. Scanlon, he came over from Dartmouth to the department; Cashel in January, 1907.

Q. Now, what system do you follow?—A. I follow the instructions given by the deputy minister, that is, carrying out the instructions I was carrying out before.

Q. What are they?—A. With regard to the stores, all stores had to go out by pass, except a shipment would be covered by the bills of lading or the clerk's books, which would show what was going out.

Q. Now, when a man comes out with a parcel, what happens?—A. Demand his pass, and send him back to get one.

Q. Always?—A. Always.

Q. Have men been allowed to go out of this yard without passes, to your knowledge?—A. Not to my knowledge.

Q. Have you heard?—A. I have not heard.

Q. Have you heard that goods have been stolen there?—A. I have not.

Q. Never?—A. Never; because if I had, I should have made complaint to the head of the department.

Q. That never was brought to your notice?—A. It never was brought to my notice.

Q. That goods were going out freely?—A. It never was brought to my notice.

Q. As a matter of fact, have you seen goods going out of the gates of this yard freely at night, in the evening?—A. I have not, sir.

Q. Or going out to the ships?—A. Not going to the ships; no, sir.

Q. That is what I mean?—A. No, no stores whatever.

Q. Never?—A. No, sir. The stores are locked up at five o'clock, the keys given to me, and not opened until the morning.

Q. You get the key at five?—A. When the stores are locked up at night, the keys of all the shops.

Q. Have you seen any of the employees of the department go out with parcels in the evening, five o'clock?—A. I say, any employee or man going out with a parcel must have a pass.

Q. Have you seen any men going out with parcels?—A. No, I have not.

Q. Or at twelve, lunch time?—A. No, sir.

Q. You never did?—A. No, sir.

Q. That is all.

Mr. PERRON.—I think that will be enough, my lord.

JOHN A. DUNN, sworn.

By Mr. Watson:

Q. What is your line of business?—A. Electrician, or manufacturer of electric fittings.

Q. Manufacturer of electric fittings, I see. You have just told me now that you did not bring your books with you?—A. No.

Q. What books have you got?—A. Ledger, day book, cash book, all ordinary books.

Q. All ordinary books?—A. Yes.

Q. Is your office far from the Court House?—A. About half a mile.

Q. So, you can have them here in three-quarters of an hour by getting the cars?—A. Yes, sir. .

Q. Now, I see you have had a considerable account as electrician with the department. Through whom did you get the orders, or directions?—A. Oh, practically all, I think, by written order.

Q. From Mr. Parsons?—A. Yes, or from his office.

Q. From his office?—A. Yes.

Q. And what were you to supply, just lamps, and goods of that kind?—A. Oh, well, there is quite a large line.

Q. What was it?—A. It is quite a large number of goods in our line.

Q. What does your line cover in that way? I observe here lamps, large and small glass globes, smoked and clear, and rubber rings—that sort of thing?—A. Yes, sir.

Q. That is what you have supplied?—A. To a small extent.

Q. Anything else than that?—A. We have done a good deal of work.

Q. You have done a good deal of work?—A. Yes.

Q. What kind of work?—A. Electrical work, electro-plating.

Q. Electro-plating?—A. Yes.

Q. Upon what?—A. Lighthouse reflectors.

Q. Lighthouse or steamship, which?—A. Some on steamship fittings.

Q. What steamships, Mr. Dunn?—A. We have done some, I think, for the *Lady Laurier*, some for the *Canada*, and some for the *Aberdeen*, and perhaps for others, I don't know.

Q. Perhaps for others. So you have furnished considerable. Prices were made by you?—A. On some things, yes.

Q. Practically on all things, is that right?—A. Yes.

Q. And apparently you have charged pretty good prices?—A. The ordinary prices.

Q. Ordinary prices?—A. Yes, sir.

Q. Your books would show the prices charged?—A. Yes, sir.

Q. To the department as compared with the prices charged to others?—A. Yes, sir.

Q. And I observe a memorandum here of July 23, 1906, in regard to your account for electric light fixtures:—‘This expenditure at that time in 1906 was incurred without authority from the department, and payment in consequence has been withheld. This is another case where expenditure is incurred by the agent without instructions from the department. If it is the intention of the department to pay the account I should receive your instructions to pay it.’ This is a memorandum by Mr. Owen. Now, was this circumstance communicated to you afterwards by the agent here? You recollect about that, don't you?—A. I think I recollect going to him about an account that was a little bit long in being paid.

Q. A little bit long in being paid?—A. Yes, sir.

Q. And were you told by the agent that the head office objected to it because the expenditure was incurred without instructions to the agent, and without authority?—A. Yes.

Q. That was a considerable account?—A. Yes.

Q. How much was it, about \$1,000, in that neighbourhood?—A. Oh, I think it was a good deal more than that.

Q. How much was it?—A. I think it was \$2,000.

Q. \$2,000, I see. And you were told that had been incurred by the agent without any authority or instruction. And what did the agent say when you heard that from him?—A. He wanted an explanation from me.

Q. Why did you do the work without an order?—A. No, sir.

Q. Well, where did you get that order or direction?—A. It was sent to me by the Marine and Fisheries Department signed by Mr. Parsons, or somebody signing his name for him.

Q. Did you tell him so?—A. I did.

Q. What did he say to that?—A. Oh, he made out quite a long document in connection with the matter, and got me to sign it.

Q. He made out quite a long document. I have not that on the file. What was in the document he got you to sign?—A. An explanation of the whole affair.

Q. And for what purpose was that made up and signed, were you helping him out of it a little bit?—A. No, I was helping myself out.

Q. Helping yourself out?—A. Yes; I wanted my money.

Q. I see. And were you helping him a little bit too at the same time?—A. No, sir, I don't think.

Q. You don't think so?—A. No.

Q. But what explanation did he have to make to you at that time with regard to the position taken, that he had no right to give the order, what did he say about that?—A. I don't know as I understand you.

Q. You heard me read this memorandum from the head office that this expenditure referred to had been incurred by the agent through you, or you doing the work without any instructions, and without authority to incur the expenditure?—A. Yes.

Q. Now, how did he explain that to you, if at all?—A. I didn't know anything about that at the time.

Q. But you knew of it afterwards, this is what you are telling me?—A. No, I did not.

Q. Did he not speak to you about it?—A. Yes.

Q. That is what I say, you knew about it afterwards?—A. I did not know that was in existence.

Q. You knew he got into trouble about it?—A. No.

Q. You knew objection had been made?—A. After he told me.

Q. That is what I mean, after he told you. What did he say to you after he told you that objection had been made that the expenditure ought not to have been incurred, it was without authority, what did he say further about it, if anything, or did he say anything?—A. Well, he was not the mover in this thing. I went up to his office to find out why this account was not paid.

Q. I know, that is right. We do not seem to get together very well in understanding each other. You went up to see about payment of the account, you wanted to get the money, you had done the work?—A. Yes.

Q. And at that time you heard that objection was made, that he ought not to have incurred the expenditure?—A. I don't know, I hear it referred to him as pointedly as that.

Q. You have told me you heard something about this. We do not seem to get along very well.—A. I don't think you are trying to tangle me up in any way.

Q. I have not the slightest wish to.—A. You seem to think I have.

Q. Have I?—A. You seem to think I have.

Q. We are not understanding each other apparently.—A. You read that to me as if I wanted—

Hon. Mr. CASSELS.—Witness, Mr. Watson is treating you very fairly. What he

wants to get at is very simple. You did this work and wanted to get paid, and you went to the agent to get paid, and then the agent I understand, told you there was some difficulty about paying?—A. Yes, sir.

Q. You got that far without being tangled up?—A. Yes.

Q. When you went to the agent, what was the nature of the conversation, why did he say payment was withheld, what was the objection?—A. He said the work was done without being authorized.

*By Mr. Watson:*

That is the point. Go on.—A. I told him it was authorized. He said, 'What authority did you get?' I said, 'I got your written order.' He turned it up, he said, 'Do you mean to say that applies to it?' I said, 'It certainly does.' He read it over and realized it did.

Q. That was all there was to it?—A. Practically all.

Q. Did you ever get the money?—A. Yes, sir.

Q. Did you get it in full?—A. Yes, sir.

Q. That is the way it came about. That was work done upon what steamer?—A. The *Lady Laurier*.

Q. And what was the kind of work done representing that \$2,000?—A. The installation of electric light wires and fittings.

Q. That was in 1906?—A. No, 1904, I think.

Q. This memorandum is dated July 23, 1906. It did not stand for two years, did it, before it was paid?—A. I think it was.

Q. You had a hard time in getting the money?—A. I had.

Q. Then had there been an installation before, was this a renewal or repair?—A. There had been an installation, but it was taken out, and a new one installed.

Q. Taken out by you?—A. Yes, sir.

Q. And a new one put in?—A. Yes, sir.

Q. You wanted to make it better. And who gave you the orders up there at the ship?

(Witness smiles.)

Q. That makes you smile.—A. I had the order before I went up to the ship.

Q. Where does the smile come in, up there at the ship, I suppose?—A. Well—

Q. Who gave you the orders there?—A. I had the order before I went up to the ship.

Q. I know. Under whose directions did you do the work at the ship?—A. The department had the city electrician, I think, to inspect the work.

Q. Yes. But that is inspected afterwards?—A. He looked after it while I was under—

Q. But during the time you were performing the work was there any one giving you directions?—A. No. It was arranged before I started the job.

*Hon. Mr. Cassels:*

Q. Who was supervising the work while you were doing it?—A. Not particularly, I think. The chief engineer took a good deal of interest.

*By Mr. Watson:*

Q. The chief engineer took a good deal of interest in it?—A. Yes.

Q. That was Mr. Engineer—what is his name?—A. Stewart.

Q. I see. He took a good deal of interest in it at the time. And about—you say the prices were not fixed—about what profit did you make in that transaction with the department, 100 per cent on a special job like that?—A. Something between 20 and 25 per cent.

Q. That is not as high as it might be?—A. It ain't as high as it would be if it was doubled, I suppose.

Q. Yes. Do you say that was about the percentage of profit?—A. Yes, sir.

Q. You do, eh?—A. Yes, sir.

Q. I see?—A. Not higher than that.

Q. Not higher than that?—A. No.

Q. That represented what, charges for labour and material?—A. Yes, sir.

Q. Charges for labour and material. That is skilled labour, I suppose, is that right?—A. Yes, sir.

Q. Including your own. Would you mind telling me what you pay in your own time at?—A. I don't think I put in my own time, I did not make any charge.

Q. Did you make any charge for your own time?—A. Not directly.

Q. Not directly?—A. No.

Q. How did it come in indirectly? In what did it come in if you did not do it directly?—A. I don't know whether it is in at all.

Q. You said you did not put it in directly. The plain inference from that is it went in in some way indirectly?—A. I don't know anyway it went in particularly.

Q. Not particularly?—A. No.

Q. Well, how generally then?—A. I think I made a little profit on the work; I guess that paid me.

Q. I see. Mr. Schmidt was there?—A. Not to my knowledge.

Q. Not to your knowledge at all?—A. No, sir.

Q. Well, he certified the accounts?—A. I didn't know it.

Q. Didn't you see him at all?—A. Not on that job.

Q. Well, was he there on any job?—A. Yes.

Q. And did he certify the work in other caess?—A. I think perhaps he did.

Q. Perhaps he did?—A. Yes.

Q. And did you get any hints from Mr. Schmidt?—A. No.

Q. Eh?—A. No.

Q. You do not seem to be quite?—A. I did not take any anyway.

Q. I see. It is not that they may not have been offered then?—A. I don't know whether they were or not.

Q. You were a little dull that time?—A. Yes.

Q. So you did not take any hints. And did you make any little favours, or gratuities or loans?—A. None whatever.

Q. To Mr. Schmidt?—A. None whatever.

Q. Eh?—A. None whatever.

Q. Or to any one else?—A. No, sir.

Q. Sure?—A. Certain.

Q. Would your books show if you did—I don't suppose they would?—A. They should, yes.

Q. They should I know, but I do not suppose they would, would they?—A. If I did they would, yes.

Q. If you did they would?—A. Yes.

Q. Would you show it in a case like that, what would you call it?—A. Of course, our business is always merely to try to keep as straight as we can.

Q. I am not asking you otherwise?—A. I cannot keep track of all transactions.

Q. And how would that be shown, if a tip or gratuity to an official, would that come in under the head of cash, eh?—A. There was no transaction of that kind.

Q. Then will you be kind enough to bring up the books in the course of three-quarters of an hour?—A. Yes.

Mr. MACPHERSON called, not present.

Mr. WATSON.—Just in connection with that Mr. Macpherson and his business, as reported to us, I have no reason to think it is other than the ordinary course of business. I want to call attention now, my lord, to a memorandum of record on the 27th of March, 1907, initialed A.D. It is from an official at the head office: 'Attached is an account from David Macpherson, ship builder at Halifax, for certain repairs to the *Lady Laurier*, amounting to \$1,228.60. By referring to a letter of the

department dated 28th October, 1906, it would be found that the repairs which this account covers were authorized at a cost not to exceed in all \$500. Why was this \$1,228.60 expended?" Then there is in addition, 'It is difficult to control appropriations if the repairs, as in this case, exceed the estimate by 150 per cent.'

We will have to try at Mr. Macpherson's office. I suppose he has some assistants in his office.

GEORGE GRIGOIRE, sworn. Examined.

By Mr. Perron:

Q. Mr. Grigoire, you have asked leave to be examined now, as you want to go out of town?—A. Yes, sir.

Q. You have been selling quite a lot to the Department of Marine and Fisheries?—A. Yes, sir.

Q. You are a wholesale fish dealer in Halifax?—A. Yes, sir.

Q. Or retail?—A. Both wholesale and retail.

Q. Well, which of the two branches is the more considerable, wholesale or retail?—A. Well, retail, I guess, is about the biggest part of our business.

Q. Retail is your largest trade?—A. Yes.

Q. In connection with the department, do you mean, or generally?—A. With the department, why, our business with the department is a stated price.

Q. We will come to that. Are you alone in this line of business in Halifax?—A. Yes, sir.

Q. So you have everything to yourself about that?—A. Yes, sir.

Q. You can do as you please about it. Well, now, Mr. Grigoire, I see that for the three years you have been selling to the Department of Marine and Fisheries alone about \$4,000 worth?

A. \$4,000.

Q. \$4,000?—A. I suppose I have.

Q. Yes. Well now, how much over the ordinary retail prices have you charged to the department?—A. None.

Q. None. Retail prices only?—A. Retail, we are not quite getting retail prices.

Q. How is that?—A. We take prices, three cents a pound for cods and haddock; we never raised or lowered.

Q. You mean haddock?—A. Cod and haddock.

Q. But I see the *Stanley* people, for instance, on board the *Stanley*, treat themselves to five bunches of trout?—A. That ain't my business.

Q. You would sell them?—A. Decidedly.

Q. There was no stated price for those?—A. Decidedly not.

Q. And they paid 30 cents a pound?—A. They need not pay 30 cents a pound.

Q. So you had a stated price for codfish?—A. And haddock.

Q. And no price for the balance?—A. Yes, I had for finnan haddies.

Q. That comes within haddock, I suppose?—A. Well, \$1.50.

Q. Yes. But outside of those two fish the balance you would charge retail prices for, and a little over?—A. No.

Q. For halibut?—A. No; 12 cents for halibut. They are all there.

Q. They are all here?—A. I know they are.

Q. Halibut, 12 cents?—A. Yes.

Q. Is that what you were selling to other customers for?—A. We are selling to-day at 15 cents.

Q. I am not talking of to-day?—A. We sell at 15 cents all the winter.

Q. 1904?—A. Yes, 15 cents to 13 cents this last five years.

Q. What about lobsters?—A. Lobsters is priced; you have got to follow the market

Q. Well, now, Mr. Grigoire, who was buying from you, whom did you meet?—A. I got the orders into my place.

Q. They brought orders from the office to your place?—A. Yes.

Q. But I presume the stewards of the divers steamers must have gone to your place?—A. Yes.

Q. You must have known all of them?—A. When I saw them.

Q. You knew them very well?—A. Yes.

Q. They have been trading with you a number of years?—A. Off and on.

Q. What did they get from you, their fish for nothing?—A. No, they didn't get their fish from me nor anything, nor no other men.

Q. Have you got your books?—A. There is all the kind of book I keep.

Q. This is your bookkeeping?—A. Yes. (Witness hands over one book.)

Q. This saves a lot of trouble?—A. As soon as filled we burn them.

Mr. WATSON.—That is to cook the fish.

*By Mr. Perron:*

Q. So you tell me the stewards did not get anything from you?—A. No, sir.

Q. Who did?—A. Nobody, only myself.

Q. You kept everything for yourself?—A. Yes, I did. I didn't get quite enough, according to them books.

Q. You were not satisfied with the price?—A. I had to be.

Q. Quite a good trade?—A. Quite a good trade, but very reasonable. You can see that yourself there.

Q. I do not know much about the price of fish?—A. I think everybody in the audience does. I know they can't buy fish to-day for those prices.

Q. Now, Mr. Grigoire, I have no reason to doubt your word. You said to his lordship you never gave a cent?—A. No, sir.

Q. Nor did a favour?—A. No, sir.

Q. Nor gave a gratuity?—A. No, sir.

Q. Nor fish, or anything at all?—A. No, sir.

Q. To any one in connection with the Marine and Fisheries?—A. I never did.

Q. I think you may go on your trip, sir?—A. Will you let me have my book?

Q. Yes, sir. You do not want to burn this one?—A. No, I have a couple more pages in this one.

PATRICK T. SHEA, sworn.

*By Mr. Watson:*

Q. Have you your books, Mr. Shea?—A. No, sir. My books are down in the shop.

Q. You did not bring them up?—A. I just keep one book, a ledger.

Q. A ledger, eh?—A. Yes.

Q. Well, we can get it, I suppose?—A. Yes, sir.

Q. I see your line is provisions, you are a provision dealer?—A. Yes, sir.

Q. And you have sold what amounts to a good round sum, about \$6,500 worth. The Marine and Fisheries Department seems to have been a pretty good customer?—A. Yes, sir.

Q. That is right. You do not have many customers like that. That is a sort of wholesale?—A. Yes, sir.

Q. That is pretty wholesale, and I suppose being wholesale customers you give them the benefit of wholesale prices?—A. I give them jobbing prices.

Q. Jobbing prices?—A. Yes, sir.

Q. That is for provisions?—A. That is butter, cheese and eggs.

Q. Butter, cheese and eggs. Is that all you give them?—A. That is all sir that I remember of.

Q. I see. And these are supplies to what?—A. To the steamboats.

Q. The steamships, chiefly the *Aberdeen* and the *Laurier*?—A. Yes, sir.

Q. To any others at all?—A. I might sell a few articles to some of the boats calling.

Q. It takes more to keep these up than an ordinary house?—A. I should say.

Q. Or an hotel, perhaps some of them. And this is all just for butter and eggs and cheese?—A. Yes, sir.

Q. Did you have a contract in writing with the department?—A. Some years ago I did, but not for the last few years.

Q. How many years ago?—A. About six years ago, I suppose. It was just for one year.

Q. And since then you have not had any contract?—A. No, sir.

Q. And since then the prices have not been fixed beforehand?—A. They have been from the office.

Q. What?—A. In the office.

Q. But no contract?—A. No contract.

Q. What was it, just an understanding you would do what was fair by them?—A. Someone would ring me up from the office to quote my prices. I quoted, and if I was lower, I would get the order.

Q. When was that done last?—A. Last week.

Q. Last week?—A. Yes, sir.

Q. That was to employ for what term?—A. Just for that order.

Q. Just for that order?—A. Just for that order.

Q. You are not asked about the price for each order? There are a thousand orders here, or more?—A. Yes, we are asked every time we send an order.

Q. Every time you send an order?—A. Every time there is stock required they telephone us and ask for prices.

Q. Every time. So take an account here; for instance, the one my eye first strikes—well, the date is not in it. Oh, yes, May 23, 1906, this is for butter, creamery?—A. Yes.

Q. The account amounts to \$58.83. Then you got another order two days after that. What occurred then?—A. The same thing, sir.

Q. The same thing?—A. Yes, sir.

Q. Who is the man down at the other end, down at the agency?—A. It would be in the office.

Q. Have you any idea who it was?—A. Mr. Mitchell or Mr. Tremaine.

Q. Do you remember?—A. No, I would not know who it was.

Q. Can you explain why a system of that kind should be pursued with you? We have not heard of it with others?—A. No, I cannot.

Q. What is the matter?—A. I don't know, sir.

Q. You say that was the system pursued with you?—A. Yes, sir.

Q. In every case?—A. In almost every case. I cannot remember every case.

Q. No, I suppose you would not. I suppose you could say that applied to perhaps half of them, with certainty?—A. I could not say that at all, but within the last few years past it has been regular.

Q. Eh?—A. Within the last few years every time they want an order they always ask for prices.

Q. Every time. Do you still say that?—A. Well, I didn't keep a record of when they rang me up for prices.

Q. It would not be a matter of once a month, it would be once every day or so, the same class of goods?—A. What do you mean, sir.

Q. The same class of goods. Say it was butter one day?—A. Yes, sir.

Q. Two days afterwards more of it, another ring, about what price to-day?—A. Yes, sir, they usually rang up and asked prices.

Q. Usually, I know. I suppose that is as far as it goes, that it was done part of the time, but not all the time?—A. Nearly all the time. There were no favours shown.

Q. No favours shown?—A. I would not think so.

Q. To whom?—A. To me, sir.

Q. How did you happen to get orders?—A. They would be brought there by the steward of the steamer.

Q. The steward of the steamer?—A. Sometimes. Sometimes by someone else, I wouldn't know.

Q. That is the steward of the steamer wanting eggs?—A. He would come with an order and ask me to deliver the goods.

Q. That is the first you would know about it until the steward came?—A. After I quoted prices to the office.

Q. Then the steward got the goods?—A. No, I would send the goods up.

Q. After the steward visited you?—A. After the steward left the order, a written form they have.

Q. These officials, officers of the ship, have their residences here, have they not, for the most part?—A. I presume they have.

Q. You presume they have. And I suppose they are all more or less customers of yours?—A. No, sir, none of them.

Q. Not one of them?—A. No, sir.

Q. Not one of them is a customer of yours?—A. No, sir.

Q. Did you have any trouble with them?—A. No, sir.

Q. Ever any differences or disputes?—A. No, sir.

Q. Or accounts ever objected to?—A. No, sir.

Q. Everything passed through?—A. Yes, sir.

Q. Did you have any account with any of the stewards?—A. No, sir.

Q. Why there appears to be a case of marked regularity, is that so? You know Mr. Johnston?—A. No, I did not at all.

Q. Well, I see he certified here to some of your accounts?—A. Possibly he has, I don't know him.

Q. You don't know him?—A. No, I don't think I know the man if I saw him.

Q. I suppose this was when he was captain of the *Laurier*?—A. Yes.

Q. So you never saw him, eh?—A. No, sir.

Q. What about Mr. McDougal, do you know him?—A. Yes, sir.

Q. Did he have any account with you?—A. No, sir.

Q. Well, did you make him little presents, now and then?—A. Never, sir.

Q. Not at all?—A. No, sir.

Q. Will you bring your books?—A. Yes, sir.

Q. Then if they are quite as regular as your speech and manner we will not have any trouble, will we?—A. Yes, sir.

Q. Will you kindly bring them up?—A. Yes, sir.

Q. You had better let us have them this evening, if you can?—A. Yes, sir.

JOHN F. RYAN, sworn.

*By Mr. Watson:*

Q. Mr. Ryan, what is your line?—A. At present I am out of business now, sir.

Q. But I mean what was it then in connection with the department?—A. Meat, principally.

Q. Provision dealer?—A. Yes, sir.

Q. And the supplies by you were for the most part to the steamship *Lady Laurier*, apparently, were they?—A. No, some to the *Laurier* and some to the *Aberdeen*.

Q. Some to the *Aberdeen*?—A. Yes, sir.

Q. Did you get orders from the ship's officers?—A. No, sir.

Q. How did you come to make the delivery?—A. Through an order from the office.

Q. Eh?—A. Through an order from the office.

Q. Telephone?—A. No, sir.

Q. You did not have any contract in writing?—A. No, we had a fixed figure though.

Q. Eh?—A. We had a fixed figure for the first few years.

Q. Then that ran out?—A. Then we had a second figure.

Q. Then you had a second figure, and a better one the next time, did you?—A. That is true, but the price of stock increased with the figure.

Q. And you supplied, I see, quite a large quantity, in the neighbourhood of \$3,000, that was to the ship?—A. Yes, sir.

Q. Then you got orders, not in writing, but messages came to you?—A. No, sir; always in writing.

Q. The orders were always in writing?—A. Yes, sir.

Q. You never filled an order unless it was in writing signed by whom?—A. Signed by either Mr. Tremaine or Mr. Parsons.

Q. Mr. Tremaine or Mr. Parsons?—A. Or Mr. Mitchell.

Q. The order upon its face did not specify the price, did it?—A. It was understood.

Q. Eh?—A. Yes, sir.

Q. That was not written on the face of the order?—A. It was fixed on the bills.

Q. The bills you rendered?—A. Yes.

Q. Of course, you fixed the prices?—A. No, sir, I did not fix the prices.

Q. Who fixed the prices?—A. The department.

Q. Take the year 1905, can you go back that far and tell me?—A. Yes, sir.

Q. Who fixed the prices in 1905, and when?—A. The department.

I think it was about midsummer time.  
Q. About midsummer?—A. Yes, sir.

Q. I see. And then the prices were fixed in what way?—A. At a certain price.

Q. What was the certain price?—A. Beef and mutton, pork.

Q. Fixed at a certain price?—A. Yes, sir.

Q. Was that put in writing, or just verbally?—A. Verbally, sir.

Q. And that was good for how long, a year?—A. That was continuous.

Q. That was continuous, that is, from 1905 on to the present time?—A. About that, sir. I don't know for the last year and a half, for I have been out of business.

Q. Yes, but from the summer of 1905 on to the middle of 1907, just about?—A. Just about.

Q. That order stood good?—A. Yes, sir.

Q. No change?—A. No change.

Q. The same price continued throughout?—A. Yes, sir.

Q. That was a long order, was it not?—A. Well, it had continued for eight years before that, at least six years before that. It was the same figure that had been fixed for some ten or twelve years previous to that.

Q. What was that?—A. That had been the figure the department had been paying for some years.

Q. That had been the same figure for some years before?—A. Yes, sir.

Q. So there was no change in it?—A. No change.

Q. So the same prices have been going on with you since about 1900—oh yes, previous to 1900, the same prices in 1896?—A. And previous to that. Mr. Tremaine told me previous to '96.

Q. So that there has been a regular—?—A. Yes, sir.

Q. The same price, year in and year out, from away back in the nineties?—A. Yes, for certain lines of goods, that is, beef, mutton and pork.

Q. Well, the prices have varied in Halifax during that time?—A. Yes, the prices have varied 25 per cent higher.

Q. And sometimes lower?—A. No, sir, no lower since.

Q. Not lower?—A. There has been advances of 25 per cent, fully.

Q. Twenty-five per cent?—A. Fully.

Q. Then, did you transfer your account to the Bank of Montreal?—A. Yes, sir.

Q. You did not get the money direct?—A. No, sir, we were too poor, we could not afford—

Q. You had pretty good accounts. What is this writing on this account in red ink, do you know anything about that, who wrote it?—A. No, sir.

Q. This reads this way—it is an account, my lord, dated July the 30th, 1906, steamer *Lady Laurier*. The account amounts to \$145.72. It is signed by P. C. Johnston and J. A. McDougal, certified to by Mr. Tremaine as well, and written on it is: 'Ship leaving on trip to Cape Race with resident engineer, contractor's foreman and his wife, and our foreman and others on board, five or six passengers.' Do you know anything about that?—A. No, sir.

Q. That seems to have been a party?—A. Yes, sir, it looks like it.

Q. A sort of tea party, apparently, at that time on an excursion. You do not know anything about it?—A. No, sir.

Q. You do not know how that got on your account?—A. No, sir.

Q. Is that the reason it is so big?—A. Perhaps so, sir.

Q. I see. The more the better, the more the merrier, I suppose so. Then, I see the other accounts are certifid in about the same way, some of them not though. Then, Captain Johnston used to call on you sometimes?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Didn't he?—A. No, sir.

Q. Who did call on you?—A. The stewards used to bring the orders.

Q. What is his name?—A. Mr. McDougal is one.

Q. Did he have an account with you?—A. No, sir.

Q. Did you bring your books?—A. No, sir.

Q. Why did you not? You don't any of you bring your books to-day.—A. My books are quite a distance. I am out of business now.

Q. Did you keep a regular set of books?—A. Not, not a regular set of books, I kept a ledger and blotter, that is about all.

Q. Well, did Mr. Johnston and Mr. McDougal have an account with you, a personal account, you furnished them goods?—A. No, sir.

Q. That is a little bit soft, I mean to say your answer is a little bit soft. Do you mean it firmly?—A. Yes, sir.

Q. No account at all with you?—A. No, sir, I never saw Captain Johnston in my store but once.

Q. You never furnished any goods to either of them?—A. No, sir.

Q. Any one else?—A. In the department?

Q. Yes.—A. No, sir.

Q. Or Mr. Parsons?—A. Or Mr. Parsons either.

Q. You did not furnish any account to any of them?—A. No, sir.

Q. Did you get hints now and then?—A. No, sir.

Q. Nothing of that kind?—A. Nothing of that kind.

Q. Did you pay any gratuities or bonuses or tips, whatever they might be, one way or the other?—A. No. I might have had a drink, sir.

Q. We pass that. What else, anything else that occurred?—A. Nothing else, sir.

Q. I see. And did Captain Blois come to you to see you?—A. No, sir.

Q. Nothing at all. Then these prices that have never changed, have yielded pretty good profits, evidently?—A. Not very large profits, no.

Q. Not too large?—A. No.

Q. I suppose in this line you expect a profit of say 20 to 40 per cent?—A. That is what we would expect.

Q. That is what you would expect, 30 or 40 per cent?—A. Yes, sir.

Q. And you generally get what you want?—A. About 15.

Q. Why do you say you expect that and only get about 15?—A. Because there is so much labour in the business.

Q. I see. Did you have to charge extra sometimes in order to even up on the poor accounts?—A. No, you cannot charge with the department.

Q. That is your statement of it?—A. Yes, sir.

Q. I see. That will do, Mr. Ryan.

*By Hon. Mr. Cassels:*

Q. Mr. Ryan, you say that the cost at present, during the present year, or two years, is about 25 per cent more than when you began?—A. Yes, your lordship.

Q. Now, when you began you must have made very large profits, if you make any profit now.—A. When I began it was only 8 cents a pound, \$8 a hundred.

Q. It continued at the same price?—A. It is \$10 a hundred now.

Q. When did that increase take place?—A. About four years ago.

Q. So you began at \$8 and then it increased to \$10?—A. \$10 a hundred.

Q. It has been running at the same price for the last four or five years?—A. Yes, your lordship.

HOWARD W. WENTZELL, sworn.

*By Mr. Watson:*

Q. Mr. Wentzell, you have had a considerable account, amounting to about \$5,000, by the memorandum I have here, during the three fiscal years?—A. Yes, sir.

Q. What is your line of business?—A. Wholesale and retail grocers.

Q. Wholesale and retail grocers?—A. Yes, sir.

Q. You have sold to the department at retail, not wholesale?—A. Wholesale, sir.

Q. Eh?—A. Wholesale, mostly by contract

Q. You mean by contract in writing?—A. Yes, sir.

Q. Contract in writing signed at Ottawa?—A. I presume so, sir.

Q. When were the contracts made?—A. Well, there was one contract made this year.

Q. Yes.—A. And we had one contract, I think, two years before that time

Q. Two years before that time?—A. I am only going by memory.

Q. How long was that contract good for?—A. One year.

Q. Then there was a period between for which there was no contract?—A. That is right.

Q. And the contract, you say, fixed the prices?—A. Yes, sir, almost everything.

Q. Almost everything?—A. Occasionally there are a few goods ordered not on the contract. The contract called for mostly heavy goods.

Q. What do you mean by heavy goods?—A. Pork, beef, flour, fish, soap, like that.

Q. And the contract was good for a year?—A. Yes, sir.

Q. Quantities not fixed?—A. No, sir, not that I am aware of.

Q. So that that was left open?—A. I think so. Well, now, in the contract this year I think there is amounts mentioned approximate.

Q. This year?—A. Yes, I think so.

Q. The system has been changed?—A. Probably so.

Q. Previously the amount was not fixed, not usually, the price was not fixed—did you say in your case it was fixed?—A. Yes, sir.

Q. Who had to do with the fixing of it besides yourself?—A. Oh, I made up the prices myself.

Q. You fixed your own prices?—A. I made up the prices and submitted them to the department as a tender, and we were awarded it.

Q. Was it accepted?—A. Not all of it, just part.

Q. Did you send it here to the agent; or to Ottawa—I suppose here?—A. I think here, I am not sure.

Q. And you got it accepted in part?—A. In part.

Q. In getting these special contracts each year, or as often as you got them, was that the result of intervention, friendly intervention by others?—A. Not that I am aware of, sir, unless the member.

Q. Unless the member. I mean to say was the condition of affairs such that the members either voluntarily, or otherwise intervened in connection with the letting of contracts, was that the condition of affairs?—A. No, as far as the contracts were con-

cerned, I just considered it right open business, because I was under the impression dozens of firms about town were getting copies of the tenders to tender on.

Q. You mean to say letters were sent soliciting tenders?—A. Yes, sir.

Q. And you answered them?—A. Yes, sir.

Q. Then in such a case you would not require the intervention of any friends, if your price was the lowest?—A. No, sir.

Q. You might if it was higher, higher than some others?—A. What I mean to say is I suppose tenders were sent round to the firms the members recommended to get a chance to tender on the goods.

Q. Yes. Who else received applications for tenders besides yourself in respect to particular orders? You do not know of anybody?—A. I do not know of anybody.

Q. You may have been the only one?—A. Yes.

Q. You may have got a tip?—A. The reason I think so, the forms were duplicated forms.

Q. They had that appearance?—A. Yes, that is my reason for thinking.

Q. I am not saying your inference is not the correct one. Then, in the way for the most part prices were fixed. And these were retail prices?—A. No, sir.

Q. Eh?—A. The lowest prices we can sell the goods at. The lowest wholesale prices.

Q. The lowest prices you could sell the goods at?—A. Yes.

Q. There seems to be a run on the groceries. You furnished them at the lowest prices. Do you mean to say you furnished them at lower prices than you sold the same class of goods for to your regular customers, citizens in the city?—A. We furnished the goods at what we considered the lowest wholesale prices, not retail prices.

Q. Then were those prices lower than the prices you charged to citizens in the ordinary course of custom, retail custom?—A. Probably so, some articles.

Q. Probably so?—A. Some articles probably so.

Q. Some articles probably so?—A. Yes.

Q. You are getting away from the wholesale proposition. You do not sell and deliver goods to your regular customers at less than retail prices, do you?—A. To our shop keepers.

Q. But you have retail customers?—A. Yes.

Q. You charge them retail prices?—A. Yes, sir, sure.

Q. You charge the government the same as you charge those customers?—A. No, sir, I say not.

Q. You gave them the advantage?—A. Yes, sir.

Q. What did you do that for?—A. We figured it fine to keep the business. We were tendering. If we did not figure fine we would not get the tender.

Q. How did you come in contact with Captain Johnston and Mr. McDougal?—A. I came in contact with Captain Johnston merely from seeing the gentleman, and his coming in the shop once or twice.

Q. Seeing him?—A. Yes.

Q. I see he certifies to many of these accounts?—A. I don't know anything about that.

Q. You do not know anything about that, I see. Did any of these people have accounts with you?—A. I believe Captain Johnston has a small account with us at the present time.

Q. How long has it been running?—A. I think he has been buying for the last two or three years.

Q. Three or four years?—A. Yes.

Q. And the account remaining unpaid?—A. No, sir, undoubtedly.

Q. How?—A. He generally pays one lot before he gets the second. Our accounts are rendered monthly, and he generally sends a cheque.

Q. You are pretty stiff?—A. Yes, we are.

Q. You make a man pay up for one lot before he gets another?—A. We do.

Q. Well, I am glad I know that, that is a sort of cash business?—A. Practically, we advertise as such and keep it as near as we can.

Q. And what other officials are customers of yours?—A. The other official I think is Captain Richardson.

Q. And what about Captain Richardson?—A. He buys small stuff for his own use and pays for it before he gets another lot. They are the only two we have.

Q. The only two there?—A. As far as I can remember.

Q. Then are you sure there are not any others?—A. To the very best of my knowledge I do not know of any others.

Q. To the very best of your knowledge you do not know of any others?—A. I do not think so.

Q. You have not looked lately?—A. I have not.

Q. Did you bring your books?—A. I have the books in the building.

Q. Then we can take a look at them before you go, if necessary. And what about Mr. Maenamara, have you an account with him?—A. No, sir, I never had any dealings with him.

Q. Did he get any benefit?—A. No, sir.

Q. Eh?—A. None whatever, sir.

Q. None at all?—A. No, sir, emphatically so.

Q. That will do, thank you.

Mr. MACINNES of John MacInnes & Sons called, also Mr. Austen, not present.

JOHN H. BENTLEY, SWORN.

*By Mr. Perron:*

Q. Mr. Bentley, you are a member of the firm of Bentley & Layton?—A. Yes, sir.

Q. Who is your partner?—A. Arthur C. Layton.

Q. Only two partners?—A. Only two partners; my brother-in-law.

Q. I see, you are commission merchants?—A. Commission merchants and meat dealers.

Q. Have you brought your books with you?—A. I brought them. I wanted to use them and took them home again.

Q. I will have to suspend your examination?—A. I have not anything in my books but what I can tell you about now.

Q. We will see Mr. Bentley. I see you have been selling quite a lot to the Department of Marine and Fisheries for commission merchants?—A. Well, for three years.

Q. You have been selling \$4,000 worth?—A. Yes, probably.

Q. What kind of goods have you been selling?—A. Meat, principally.

Q. Are you wholesale, or retail, or what?—A. Wholesale and retail.

Q. You see, Mr. Ryan and the other merchants were selling at 9 cents?—A. Yes, sir.

Q. And you were selling at twelve?—A. No.

Q. Yes?—A. That may have been two or three pieces in the small.

Q. No, 176 pounds?—A. That is on one cut.

Q. I do not know. All the other dealers were selling at 9 cents, I have all their accounts. You have been selling at 12 cents. Here is your account, January the 30th, 1905, 176 pounds rib and loin beef, 12 cents?—A. 12 cents, yes roast.

Q. Pretty good sized roast. You were selling at three cents more than the others quote?—A. For that special cut of beef.

Q. The others were selling at 9 cents?—A. You will find ours exactly the same in the larger accounts.

Q. You deal largely in meat?—A. Yes, sir.

Q. Wholesale dealers?—A. Wholesale and retail also.

Q. I see that most of your prices are higher than those of the other dealers?—A. Are they? Will you state the reason?

Q. They do not compare well with the others?—A. At the same date?

Q. 1904 and 1905, mutton, one cent a pound more than the others—A. We all had the same rate.

Q. Not to the department?—A. Mr. Mitchell made the rate with all of us, a summer rate and winter rate.

Q. Now, how did you come to sell to the department first and then get your bills signed?—A. We had the orders, we got the orders from the office.

Q. You got the orders?—A. The orders were brought in to us.

Q. How was that?—A. By the stewards of the boats.

Q. By the stewards. You were selling for delivery on board the cruiser *Canada*?—A. Yes, sir.

Q. Who is the steward on board this cruiser?—A. That I cannot tell you.

Q. But how did you come to get orders at all from the department?—A. I suppose because we were on the list.

Q. You were on the patronage list?—A. I suppose that is the reason.

Q. Now, whom did you see besides the steward there?—A. We saw no one.

Q. Oh, but you told me you were selling at 9 cents a pound. You have always been selling at from 10 to 12 cents a pound. 1,290 pounds of beef at ten cents, and the others were selling at that time at nine cents?—A. I don't think so.

Q. Their bills are here if you want to see them?—A. If you will compare them.

Q. I have compared them?—A. We got a special rate with Mr. Mitchell.

Q. You made the prices beforehand?—A. In all cases.

Q. How can you explain why you got 10 cents, and the others 9 cents a pound?—A. I don't know we did at the same date, sir. I don't think Mr. Tremaine or Mr. Mitchell would.

Q. What does it mean? Take, for instance, you have not a regular price for your meat?—A. We had a winter rate and a summer rate.

Q. What are the winter rates, dearer?—A. The winter rates are cheaper.

Q. That is the reason why in January you were charging 12 cents and in July 10 cents?—A. That is just merely a small order come in from one of the boats for a piece of roast beef. A roast of beef is cut out from a forequarter or a side of beef, which is getting the roast part and leaving us with the cheaper piece.

Q. Do you understand you made an arrangement whereby you were going to get 10 cents?—A. That is for the other boat?

Q. You know I am asking if that was the contract between you and Mr. Mitchell?—A. It was expected that that was so outside of the boat, we hardly ever got an order from this boat.

Q. I see, you got your chance and charged?—A. Not at all. We charge according to the roast of beef that we send.

Q. Then why did you make the price ten cents and charge twelve, especially at the season when the beef was cheaper?—A. We charged the same price for the orders that came in. If the side or carcase was particularly mentioned on the order, one carcase of beef, we sold the whole carcase, the cheap meat as well as the roast meat with that part.

Q. But the other dealers were selling the same way as you were and got nine cents?—A. If that had been the order we would have sold at nine cents.

Q. You mentioned ten cents?—A. Nine and ten.

Q. How many prices did you have with Mr. Mitchell?—A. You started to tell me ten cents, now you tell me nine and twelve cents?—A. No.

Q. What was it?—A. We had nine cents, the summer rate, and ten cents for the summer rate early in the summer when beef was high, and nine cents for the winter rate.

Q. Why charge ten and twelve?—A. Ten cents is only for that winter rate, and the twelve was for a piece of beef that was ordered probably when the steamer just came in late at night, a piece of roasting beef, a small piece.

Q. Do you remember an occasion at all?—A. I remember getting an order for a piece of roast beef.

Q. And you charged twelve cents?—A. That is not out of the way for a piece of roast beef.

Q. It is out of the way, because it was understood you were to get nine cents?—A. I don't think it was in the regular orders.

Q. Here is your account, sir, look over it!—A. (Witness peruses account.) 176 pounds of rib and loin beef, that is what is here.

Q. You got quite good prices for fowl?—A. Fair prices.

Q. You did not lose money on them, 15 cents a pound the year round?—A. Fifteen cents a pound. Fowls have been very high.

Q. That is a pretty steep price, you understand that?—A. I don't know it is.

Q. Yes?—A. I don't know it is. Fowl in this country have been very scarce.

Q. They were scarce the whole four years, 1904-5-6 and 7?—A. They have been.

Q. The whole time during those years?—A. 1905-6 and 7.

Q. I suppose being a commission merchant you have more trouble than any one else to get them?—A. It is pretty hard to get them.

Q. At your place?—A. No, sir.

Q. And you charge 15 cents all the year round, summer, winter and spring?—A. They were put in by the pair.

Q. They were put in at 15 cents a pound?—A. What date?

Q. All the time, January, February?—A. They were put in by the pair.

Q. But weighed?—A. Weighed, well—

Q. At 15 cents a pound, how do you explain that?—A. A six-pound pair of fowls would come to 90 cents.

Q. Would you say those prices were exorbitant?—A. I do not say they were exorbitant.

Q. Do you say they are the regular prices at which you sold to ordinary customers?—A. Yes.

Q. Fifteen cents a pound. You would have tried to get that?—A. Certainly.

Q. Would you find people in Halifax pay that in winter?—A. And a good deal higher.

Q. Well, you will have to get your books, Mr. Bentley. You buy from the wholesale merchants and sell at retail prices to the department?—A. We got them direct from the grower in the country.

Q. You buy here in Halifax?—A. Here.

Q. From the wholesale firms?—A. Principally beef comes from Toronto.

Q. But you buy principally from Halifax wholesale firms the goods you deliver to the department?—A. We get from the country.

Q. But you buy lots from wholesale firms?—A. Yes.

Q. And then sell to the department at retail prices?—A. I don't know we have anything there we bought from here. We get supplies directly from the grower.

Q. Well, be here to-morrow morning with the books.

Mr. WATSON.—Then, my lord, in the morning, if your lordship pleases, we will have the officials of the staff in attendance. We will be glad now if your lordship will rise until the morning. Mr. Parsons, and the other members of the staff will be here in the morning.

Hon. Mr. CASSELS.—10 o'clock?

Mr. WATSON.—10 o'clock, my lord.

(Adjourned at 5 p.m. to 10 a.m. to-morrow, December 4, 1908.)

HALIFAX, December 4, 1908, 10.25 a.m.

H. MELLISH, K.C., appears for Captain JOHNSTON.

JOHN A. DUNN, recalled.

Mr. WATSON.—My lord, by the way, with regard to the witness yesterday morning who addressed your lordship about some missing cheques. It was no doubt through some misapprehension.

Hon. Mr. CASSELS.—It seems to be a comedy of errors from what the papers say. The cheques were found in his own books.

Mr. WATSON.—Yes. Possibly through some misapprehension on his part, or some possible excitement he overlooked the cheques which were in his own possession. I mean to say we are informed by one of the officials that the cheques were found in the books where he had placed them in the sheriff's office.

Mr. DAVIDSON.—May I make an explanation?

Hon. Mr. CASSELS.—Certainly.

Mr. DAVIDSON.—The cheques I asked for on Tuesday last were the cheques of the Halifax Salvage Association. I had two sets of books. The Halifax Salvage Association cheques could not be found anywhere. I had a set of books of the Halifax Tow Boat Company that were handed to Mr. Watson for examination, and in the evening they were put in the sheriff's office.

*By Hon. Mr. Cassels:*

Q. Who put them there?—A. I put them there for safe-keeping. Mr. Watson had put the cheques in the Halifax Tow Boat Company's books without notifying me where they were going. The impression in the press is that I knew the cheques were in my own books.

Hon. Mr. CASSELS.—You have the cheques now. What is the use of any explanation?

Mr. DAVIDSON.—I have not yet.

Hon. Mr. CASSELS.—Will you walk downstairs and get them from where you put them.

Mr. DAVIDSON.—I don't know where they are. They are in the possession of Mr. Watson. I asked this morning and they said I could not have them back unless Mr. Watson handed them to me.

Hon. Mr. CASSELS.—Well, Mr. Watson will hand them to you. Next witness, please

Mr. DAVIDSON.—I could not get them without an order from Mr. Watson.

Mr. WATSON.—Quite so. There was a matter standing in connection with Mr. Dunn's evidence.

Hon. Mr. CASSELS.—Mr. Watson, before you proceed with that. I understood Mr. Parsons desired to ask Mr. Longard some questions. I do not know whether Mr. Longard is well enough to come here or not, but if Mr. Parsons desires to ask any questions—

Mr. PARSONS.—It was only in reference to the personal account with the agent. Perhaps the agent when he is on the stand will be able to give that necessary information.

Hon. Mr. CASSELS.—If you desire to have Mr. Longard—

Mr. PARSONS.—I do not wish to trouble Mr. Longard unless it is absolutely necessary.

Hon. Mr. CASSELS.—If you require him let me know, and if he can come we will send for him.

Mr. PARSONS.—Thank you, my lord.

*By Mr. Watson:*

Q. Mr. Dunn, you were good enough to show us in your book an account which was running with Captain Johnston?—A. Yes, sir.

Q. It had been outstanding apparently for some two or three years or more?—A. Yes.

Q. Perhaps some four or five years?—A. No.

Q. Two or three years or more. And it is not yet paid apparently. Did you send any communication to him recently about it, if so what did you say?—A. I telephoned to him calling his attention to it.

Q. That is within the last ten days or so?—A. In the last two or three weeks.

Q. In the last two or three weeks, yes. And what did you say to him?—A. I told him that if you saw it in the books it might have some effect in the investigation.

Q. I see.

Hon. Mr. CASSELS.—What is that?—I did not catch the previous question.

Mr. WATSON.—Two or three weeks ago he called on Captain Johnston over the telephone, my lord, in regard to an account, and told him that if it was seen in the books at the investigation it might have some effect. That was manifestly, therefore, in your mind at the time you sent him the message; that is what occurred to you at the time you sent him the message?—A. I thought it would be better paid.

Q. You thought it would be better paid, I see. And has it been paid since?—A. I don't think, I don't know.

Q. You do not know, I see. That is just the way it stands. Now, then, anything else that has passed between you and Captain Johnston?—A. No, sir.

Q. Eh?—A. No.

Q. Any other similar matters that have been pending, or that have occurred?—A. Perhaps I ought to say when I telephoned to him he said he got the bills for those items about 16 times.

Q. Yes. He was rather indignant, was he, at getting bills so often?—A. It was a very small account.

Q. I see, that will do.

SAMUEL M. BROOKFIELD, sworn.

*By Mr. Watson:*

Q. Mr. Brookfield, we understand that you are interested in the Halifax Salvage Company?—A. I am, sir.

Q. One of the partners?—A. One of the associates.

Q. One of them. What others are interested with you?—A. G. S. Campbell & Co., and Bazeley Brothers.

Q. Oh, yes, just the three, G. S. Campbell & Co., yourself, and Bazeley Brothers. And you had to do with the *Hestia*, your company had?—A. No. All we did, we sent our chief engineer and some men and the plant to the *Hestia*. We were employed by the agents.

Q. Employed by the?—A. Agent.

Q. That is Messrs. Pickford & Black?—A. Messrs. Pickford & Black. Allow me, that was not the Halifax Association. We were not associated then at all. I was separate and had the wrecking plant.

Q. You had the wrecking plant?—A. Yes.

Q. You furnished a portion of the plant?—A. Yes, my wrecking plant was just simply to bring her to the dry dock, and I sent it to the *Hestia*.

Q. Yes; I quite follow what you say. Then following upon that, payment was made to Captain Johnston?—A. I do not know anything about that, sir.

Q. Do you not?—A. Not the slightest; I had nothing to do with it in any way or shape; neither directly nor indirectly.

Q. Well, that payment was made by the Halifax Salvage Company?—A. Not for the *Hestia*, sir.

Q. Was that in respect to the *Mount Temple*?

*By Hon. Mr. Cassels:*

Q. The *Mount Temple*?—A. So I believe; that is the *Mount Temple*, not the *Hestia*.

*By Mr. Watson:*

Q. Not the *Hestia*?—A. No.

Q. I see, that was the *Mount Temple*?—A. Yes.

Q. You knew of a payment to Captain Johnston with respect to the *Mount Temple*?—A. No, I did not.

Q. Eh?—A. No, I did not know of it.

Q. Did you not?—A. No.

Q. Well, it was made apparently?—A. So—

Q. Was it not communicated to you?—A. No. I was in England, I think, when it was paid.

Q. When it was paid. You learned of it afterwards?—A. I thought it was to—I really thought it was to the department.

Q. You really thought it was to the department, really?—A. I knew nothing about its being paid to Captain Johnston until lately.

Q. You knew the money had been paid to Captain Johnston?—A. No.

Q. Had been received by him?—A. No, I did not know it had been received by him.

Q. Well, you knew of the correspondence that took place afterwards?—A. No, I did not.

Q. Eh?—A. No, I did not know of any correspondence. I know now it was paid. Hon. Mr. CASSELS.—I do not think there was any correspondence.

Mr. WATSON.—With regard to the *Mount Temple*?

Hon. Mr. CASSELS.—No.

*By Mr. Watson:*

Q. No. Then, did you know of the payment of \$400 to Captain Johnston?—A. Not to Captain Johnston.

Q. Not to Captain Johnston?—A. No. I know now about it, you see.

Q. But you were not informed of that as the matter proceeded?—A. No. I left here before the bills came in: I left on May 26 and returned on August 21.

Q. The payment was not made, I think, until October?—A. I don't know when it was made.

Q. At all events, what you say is, you had no personal knowledge of the matter?—A. I had not.

Q. We understand then, from what you say, that you would not, so far as you are personally concerned, that you would not have permitted such a transaction?—A. I would not say that at all.

Q. You would not?—A. No, I would not.

Q. Then afterwards, in connection with the *Hestia*, when the government or the department was making a claim for services performed by the steamship, you became aware of that through Messrs. Pickford & Black?—A. No, sir. It was none of my business at all. I sent the bill for our services, and it was paid; that was all.

Q. You did not become aware of it at all?—A. No, I had nothing to do with it.

WILLIAM A. BLACK, sworn.

*By Mr. Watson:*

Q. You were agents of the steamship that was stranded some years ago, agents for the owners in Scotland?—A. What is her name?

Q. Was it the *Hestia*?—A. Yes.

Q. You recollect that?—A. Yes.

Q. And, as agents for the owners, you made a payment to Captain Johnston, according to the correspondence, altogether of a sum of about \$1,550?—A. We made a payment, not to Captain Johnston, we made a payment for the services of the crew of \$550.

Q. Yes. But I see the letters show additional payments beyond that. Have you not got it in my mind now?—A. I have not, no.

Q. You have not it in mind?—A. No,

Q. Then, to whom was the money paid—Captain Johnston?—A. I cannot tell you that.

Q. You cannot tell me that?—A. I don't know.

Q. Well, who would have personal knowledge in your firm?—A. Our cashier.

Q. Your cashier?—A. Yes.

Q. What is his name?—A. Fred. Cable. I think he would know.

Q. Those matters were left to him, then?—A. No.

Q. Supervised by you?—A. Supervised by Mr. Pickford. At that time I was in England.

Q. Oh, you were in England at that time?—A. Yes.

Q. That is in 1906-7?—A. I came out in July, 1906.

Q. July, 1906?—A. I went over in December, 1905.

Q. Yes. According to my recollection, the payments were made after the date that you speak of, on your return—perhaps I may be wrong—after July, 1906. At all events, you say that the payments were made through your office?—A. Yes. I did not say the payments; I only know of one payment, \$550.

Q. That is the only one you know of?—A. Yes.

Hon. Mr. CASSELS.—One hundred dollars was on June 23, \$450 later; \$550 in all.

Mr. WATSON.—Yes.

Q. Then, you became aware of the payments, Mr. Black, did you?—A. Yes, in a general way I know the payment. I do not remember the \$50 you speak of. That must have been for the loss of the ship's hawsers, and so on, paid to the department. I think there was a payment of that kind. Is not that so, my lord?

*By Hon. Mr. Cassels:*

Q. There is one sum of \$100 on June 23, and a subsequent payment of \$450 by the agents of the *Hestia*?—A. That is all we paid, and I may just say to you, sir, to make a long story short, there is the cheque where the money was drawn, and there is the *Hestia's* adjustment on which the settlement of all parties interested was made, and there is the copy here, and that is all. It was done with the sanction of the underwriters, and it was paid to the crew of the *Lady Laurier*. Whether Captain Johnston was included or received anything, I don't know. They rendered special services, working nights and Sundays, for which they were justly entitled to the money, and they got it, and there it is in the account.

*By Mr. Watson:*

Q. To whom was the cheque made payable?—A. To cash, and the money was drawn from the bank in that shape and handed over to somebody.

Q. This is about the same system we find of cheques to cash. There is no name endorsed on the back?—A. No name endorsed. Our own cashier drew the money, and the voucher reads as you see it there, sir. That is a true copy of the voucher.

Q. The evidence is that this cheque was given to Mr. Johnston?—A. No, it is not.

Q. I say the evidence here.—A. I do not say it is. There is not any evidence of that nature in the voucher.

Q. I am not speaking of the books. I say the evidence here before his lordship is that that payment was made to Mr. Johnston?—A. You can take whatever inference you please. I say I am not prepared to say—our cashier might be prepared to say who has the money. He is at home sick with diphtheria, otherwise he would be glad to come here.

Cheque marked (Exhibit 403.)

Q. Then afterwards there was a claim made on behalf of the department, is that right?—A. I beg your pardon.

Q. There was a claim made by the department?—A. We paid nothing on that.

Q. No, you paid nothing. Now I see this copy of a letter of November 19, 1906. That I think was after your return?—A. November, 1906, yes.

Q. Yes, after your return. This letter is directed to Mr. Tremaine, acting agent. It says: 'Your favour of the 16th to hand. We still think the government should not make any charge for the service of the *Lady Laurier*.. We have already paid \$1,900 for the use of this ship.' Was that according to the fact?—A. I think you will find—

Q. Is that according to the fact?—A. Yes.

Q. That is according to the fact that that payment was made for the use of that ship?—A. If it is stated there it is a fact.

Q. 'Namely, \$350 for hawsers and \$1,550 overtime for crew and gratuity to the officers and engineers, and I think we have done very well.' That is correct, is it?—A. I presume so.

Q. That is quite a little bit in advance. This item here is \$550 overtime of crew, 42 men, but this letter shows a payment of \$1,550.

Hon. Mr. CASSELS.—I do not understand that. Does it appear here?

*By Mr. Watson:*

Q. Where does that item appear in your books?—A. What is the date?

Q. The 19th November, 1906, is the date of the letter.—A. (After referring to book.) I cannot find it, sir. What I mean to say is I do not wish to take time to look for it.

Let us look at the book?—A. I thought there was an index there.

Q. This covers the same period?—A. With regard to that I may say—

Q. \$1,550. You are the manager of the business, are you not, here?—A. No. As I told you, I was away when this whole thing took place, and Mr. Hensley did that charge or Mr. Pickford.

Q. Mr. Hensley or Mr. Pickford. At all events, so far as you can find there is not any entry in the book, at the present time you cannot find it?—A. I cannot say it is now. I am quite satisfied the hawsers were used, and I think very likely other things there, but I made the statement on what my partner said to me that that was the only gratuity paid to the crew.

Q. That is \$550 was the only one?—A. Yes.

Q. It was manifestly a matter that was considered by the firm, because the statement is, 'we still think the government should not make any charge for the service of the *Lady Laurier*.' Showing it was a matter that had been considered?—A. As the manager in that particular case writes in that way.

Q. I see. Then this is, amongst other things, a gratuity, apparently, upon its face?—A. He will have to explain that, I have not that detail.

Q. You mean that is a matter you could not?—A. I still think it is to be found in this book, those charges, because we made—

Q. We will be glad if you will send for Mr. Hensley.

Hon. Mr. CASSELS.—He has got diphtheria.

*By Mr. Watson:*

Q. Well, someone else in your office. No doubt the staff there will be able to find it in the books. Now, I observe also in correspondence with your office it is stated that when this payment was made it was upon the understanding that no other charge would be made for the services of the steamship. Was that your understanding?—A. As far as I am concerned I had no understanding with regard to it at all.

Q. I see, so far as you are concerned you had no understanding with regard to it at all?—A. We never expect to pay for government steamers.

Q. Then it is the fact, according to this letter, that the captain and some members of the crew acting in their official capacity received from your firm the moneys that are mentioned here?—A. It would look so, yes.

Q. It would look so. And you have nothing else to say about it. That was not paid with your knowledge, do I understand?—A. Yes.

Q. Was it paid with your subsequent approval or disapproval?—A. Whatever was done in connection with the bills was of course met with my approval.

Q. Whatever was done met with your approval?—A. Yes.

Q. I see. That is all, thank you.

GEORGE S. CAMPBELL, Sworn.

*By Mr. Watson:*

Q. Then, Mr. Campbell, you are of the firm of George S. Campbell & Son?—A. And Company.

Q. And Company, yes. I suppose you are the one chiefly interested in the firm?—A. The head of the firm, yes.

Q. And you are aware that evidence has been given here before his lordship showing payments to Captain Johnston in respect to the *Mount Temple* and in respect to the steamer *Hestia*?—A. Well, one payment in regard to the *Mount Temple*, but so far as I am aware we paid nothing in connection with the *Hestia* to Captain Johnston.

Q. That came from the Halifax Salvage Association?—A. No. The Salvage Association had nothing to do with the *Hestia*, but the Halifax Tow Boat Company had. The association was not in existence at that time.

Q. It comes in in that way, the Halifax Tow Boat Association?—A. Yes.

Q. Now then, those payments were made with your knowledge, were they?—A. Do you mean the \$400 in connection with the *Mount Temple*?

Q. Yes.—A. Yes.

Q. And in the same way the payment in regard to the *Hestia* was made to your knowledge?—A. But we paid nothing with regard to the *Hestia*.

Q. I know. You remember that an advance was made of \$100?—A. That is the *Mount Temple* you are speaking of now?

Q. Yes.—A. You refer to an advance made by Bazeley Brothers?

Q. Yes.—A. I know nothing of that at all.

Q. You know nothing of that?—A. I know nothing of that at all.

Q. Was the cheque sent over to Bazeley Brothers?—A. The cheque for \$400 was sent to Bazeley Brothers.

Q. Can you explain why that cheque was sent to them?—A. Because Bazeley Brothers were conducting the negotiations.

Q. The negotiations with the captain?—A. Yes.

Q. Oh, I see, they were the medium of negotiations with the captain?—A. Together with my partner, Mr. Davidson.

Q. Then can you explain why you did not make the payment directly to Captain Johnston?—A. No, there is no special reason. It was being paid by Bazeley Brothers, and we paid it over to them.

Q. You paid it over to them in that way?—A. Yes.

Q. Then you knew of the other payments by Messrs. Pickford and Black on behalf of their principals in regard to the *Hestia*?—A. I know nothing about that whatever.

Q. Did it come to your knowledge?—A. We had nothing to do with it.

Q. It came to your knowledge I gather from the correspondence?—A. No. The first thing I knew about it I read in the papers.

Q. I see. Then at the time you intended at all events that Captain Johnston in respect to the *Mount Temple* should receive \$400 from your company?—A. Yes.

Q. As a personal gratuity?—A. Well, as a matter of fact I did not happen to know it was a personal gratuity.

Q. You learned that afterwards?—A. I learned that afterwards.

*By Hon. Mr. Cassels:*

Q. Well, it is entered to the services of *Lady Laurier* in the book.—A. Yes.

*By Mr. Watson:*

Q. Yes. That was perhaps your understanding that it was for the services of the *Lady Laurier*?—A. Partly, partly so.

Q. If it had not been for the services of the *Lady Laurier* I suppose you would not have paid it?—A. Oh, not at all. I would have paid it.

Q. You would?—A. I since quite approve of the payment.

Q. You quite approve of the payment?—A. Yes.

Q. That is the position you take?—A. Yes.

Q. You are aware that Captain Johnston at the time was an employee of the department upon salary?—A. Yes.

Q. And that the services were rendered by the ship of which he was captain?—A. Yes.

Q. And still that is your position?—A. Yes.

Q. That will do.—A. Because it was salvage service. May I be permitted to say, my lord, that this is not a case where we are making a payment to Captain Johnston because we were under any obligation to Captain Johnston, in a position to ask Captain Johnston to certify any bill of ours or anything of that kind; but it is a recognized fact by the Admiralty Court when the captain of a ship performs service towards salvage he is paid for that service; and in the salvage business where we find people who give us service or information we consider they are entitled to payment.

*By Hon. Mr. Cassels:*

Q. But Mr. Campbell, in the case you put, in addition to paying the captain of the ship, you pay the owners too, do you not?—A. In cases of merchant vessels.

Q. Why did you not send to the government what you considered compensation for the *Lady Laurier*?—A. The government do not charge.

Q. Did you ever ask them whether they charged or not?—A. Yes. I understand there are precedents for their not charging; in fact we were told the government do not charge.

Q. You are willing to pay if they do charge?—A. Oh, if they do charge I think there are some cases where they might be justified in charging and some cases where not.

Q. That is your explanation, you were adopting the rules of the Admiralty Court when you made the payment?—A. Yes.

Q. And gave it to the captain and crew?—A. Yes.

Mr. WATSON.—That will do.

JONATHAN PARSONS recalled.

*By Mr. Watson:*

WITNESS.—If your lordship will allow me to sit? I am not strong.

Hon. Mr. CASSELS.—Certainly.

Mr. WATSON.—Mr. Parsons, I may say to you—yesterday you were not here or the day before—Mr. Tremaine stated in evidence that in the month of October this year the staff of employees in the dockyard was increased by the employment of about one hundred additional men. Had you personal knowledge of that?—A. Yes, sir.

Q. Mr. Tremaine has also stated that in his opinion such employment was not necessary. What explanation have you, as chief agent, to make in regard to these premises?—A. Mr. Tremaine is accountant, and as accountant he did not know enough about outside work to be able to form an opinion.

Q. I see?—A. I may say there were only 80 men extra employed.

Q. Eighty. That makes 20 less than one hundred. Twenty less than one hundred, is that right?—A. Yes.

Q. Now then, in addition to that Mr. Tremaine stated this employment arose out of the circumstances, as he understood that an election was pending.

Hon. Mr. CASSELS.—Mr. Watson, he did not put it quite in that way. He was giving his own impression.

Mr. WATSON.—It was his own understanding.

Hon. Mr. CASSELS.—No. His impression, not his understanding.

Mr. WATSON.—I think, at all events, it went as far as his belief.

Hon. Mr. CASSELS.—Yes, his belief.

Mr. WATSON.—That is about the same thing as understanding. His belief—at all events we will put it that way—his belief is that that was by reason of the circumstances that an election was pending.

Q. What explanation have you to make to that?—A. Of Mr. Tremaine's belief?

Q. Yes?—A. I would almost hesitate to give an explanation of another man's belief.

Q. Yes. Is that suggestion in accordance with the fact?—A. Not fully, no, sir.

Q. Why do you say fully?—A. Because the work had been lying back for a year that I was planning to get done as soon as—

Q. In October?—A. A year before October.

Q. You were planning to get that done?—A. During the past year, and last winter it was difficult to get the work done.

Q. Was it?—A. Yes, sir, and in the spring we found there was quite a quantity of work going on in Halifax.

Q. In the spring?—A. It was difficult to get labourers, and so it passed through the summer. When it came on towards autumn there was a better chance for getting men, so I got them because there was considerable work to be done.

Q. Yes?—A. I may say further—

Q. That is your statement, is it?—A. Well—

Q. Now then, I find by the statement handed to me that in October of 1906, the number of employees in the dock yard was 27 and in November 27 and in December 27, and that in 1907, the number of employees in the dock yard in October was 70, and in November 70, December 71, and that in October, according to the revised statement just now handed to me, in October it was 145.

Hon. Mr. CASSELS.—October, 1908?

Mr. WATSON.—1908, my lord. And in November, 1908, 162.

Q. Will you undertake, Mr. Parsons, to state that irrespective of other considerations it was necessary as a matter of clear straight business in the department to increase the staff to that extent in October?—A. Of this year?

Q. Yes?—A. Well, let me say first—

Q. Can you answer that, yes or no?—A. We were not in the dock yard before 1907.

Q. That is all right, but let us keep to the question and to the answer. Can you say yes or no to that question?—A. Will you please—

Q. That it was necessary, apart from any other consideration, for the purposes of the yard that an increase of men should be made to that extent at that time?—A. Yes.

Q. You say it was. Is that right?—A. Yes.

Q. You say that it was, yes. And that that took place, that increase took place without any suggestion from any one outside of the service?—A. What service, the Marine and Fisheries?

Q. Certainly.—A. It took place with the suggestion of Mr. Desbarats, the Deputy Minister.

Q. Solely from Mr. Desbarats?—A. Yes, sir.

Q. And no one else?—A. Well, he—

Q. Outside of the service?—A. No, sir, I cannot say.

Q. Eh?—A. I cannot say.

Q. You cannot say whether it was or not?—A. Yes. Mr. Roche, then Member of Parliament, asked me if there would be any chance for some extra men, and I told

him that I thought there would be, but that Mr. Desbarats was coming and I would confer with him.

Q. I see. What had Mr. Roche to do with the management of the dockyard of the Marine and Fisheries Department?—A. He was member of parliament for Halifax.

Q. Yes, member of parliament for Halifax.—A. And had the patronage.

Q. Had the patronage?—A. Yes, sir.

Q. But I asked you, if you please, what had he to do with the management of the dockyard?—A. He had the patronage. If men were to be put on he could name those who were to go on.

Q. He could?—A. Yes, sir.

Q. You were taking on employees, additional men for ordinary labour, you mean to say you would apply to him to designate the men?—A. Yes.

Q. You would, I see.—A. If I wanted ten or twenty men I would tell Mr. Roche and he would send me the men on the patronage list.

Q. So I understand then from what you say now that the additional eighty odd men—A. Eighty.

Q. Eighty, yes. The additional eighty men were chosen, nominated by the member for Halifax?—A. Well—

Q. Is that right?—A. Mr. Roche and Mr. Carney—

Q. By the members then for Halifax?—A. Both recommended, but I cannot say they recommend all. I do not know but all I put on were recommended either by Mr. Roche or Mr. Carney or both of them by letter.

Q. I see. Then that is the way the men came to be employed, these particular men came to be employed?—A. All the men in the dockyard.

Q. All, from the top to the bottom?—A. No; because there were some there before Messrs. Roche and Carney came in, but those who have come in recently.

Q. That would apply then to Captain Johnston, Mr. Macnamara, Mr. Baker—well, all the other men?—A. Yes, sir.

Q. Apply to all the other men?—A. Yes. The dockyard began the first day of January, 1907.

Q. So that according to the system which has prevailed here the men in all classes of service have been nominated by the members for the time being?—A. Yes, sir.

Q. That is the position. And have they fixed the remuneration?—A. No, sir.

Q. Who did that?—A. The remuneration was fixed, I think, by me corresponding with Ottawa and getting prices, and whenever a person was appointed that appointment came from Ottawa and the price was named.

Q. Now, in view of what you have stated with regard to the recommendations on appointment, do you still adhere to the view that notwithstanding the recommendations and what was done by the members, that you would yourself of your own motion have retained all these men in employment in October if there had been no intervention?—A. That if I wanted men—

Q. I did not ask you if you wanted men—I am speaking of October this year?—A. Yes.

Q. If there had been no intervention would you have employed all those extra men at that time?—A. Not without a conference with Mr. Desbarats.

Q. You would not, I see. Then it was owing to the intervention practically?—A. Not the intervention, because he is part of the department.

Q. But the intervention of the others here, the members?—A. Not of the members.

Q. Others than the members?—A. No sir, no others.

Q. At all events you give us the facts with regard to those. Now, Mr. Tremaine says at the time the dockyard was very dirty, pretty dirty, accumulations were there. You had in the previous month seventy-five men employed in that yard; that is quite a little army of men?—A. Not nearly as many as under the old regime.

Q. What are you speaking of, the old regime?—A. Of the imperial government.

*By Hon. Mr. Cassels:*

Q. They had their fleets here and one thing and another, had they not?—A. That dockyard was—

*By Mr. Watson:*

Q. Seventy-five was a pretty full staff?—A. It was something over. We had about 60, I think, going in the dockyard.

Q. And was that staff not able to keep the yard reasonably clear and clean?—A. There was some portion we did not—

Q. Think it necessary to be kept clear and clean?—A. I don't know about that, but we had work to do we could not overtake.

Q. Then, of course, the inferences are reasonably plain as to what the circumstances and premises were incident to this employment; that is right, is it not?—A. Whatever you say, sir, I cannot contradict.

Q. I see. Well, I am not saying anything. I am just asking you questions and taking your answers and drawing ordinary plain inferences.—A. You made a statement then.

Q. Do you think so? I thought the inferences were reasonably plain?—A. I can tell you particulars of the work that we required in the dockyard for extra men if you wish.

Hon. Mr. CASSELS.—I think, Mr. Watson, the inference has to be drawn by me. WITNESS.—Thank you, your lordship.

Mr. WATSON.—Quite so. It is the inference which is incident to examination and cross-examination, of course, at the same time, and has to be drawn for that purpose as well.

Q. Then, have you been manager here for 13 years?—A. Fourteen years.

Q. And you have been the sole manager here?—A. Yes, sir; except when I was sick. I was sick for four months in 1906, from April to August.

Q. And all orders are given upon your authority and in your discretion?—A. I would not say discretion.

Q. You would not say discretion?—A. I put it authority and judgment.

Q. Authority and judgment, I see. And have you had a free hand for the exercise of your best judgment?—A. Generally. Sometimes in sending my judgment up to Ottawa it has been refused.

Q. Your judgment?—A. Yes, sir; and I bowed to it as an officer should.

Q. Yes. Apart from that the judgment has been your own independent judgment throughout?—A. Well, I have conferred with our officers and then formed my own judgment. I had to differ with them sometimes.

Q. Yes. Then I observe that there have been some references made in correspondence as well as in evidence to some buoys, scout buoys, that were purchased here at your department. Do you recollect the circumstances?—A. No, sir, I think not.

Q. You do not think so?—A. I do not think we purchased any scout buoys.

Q. Did you not?—A. I think we did not. We had some sent down here and there was some correspondence about them, and they made us an allowance, acknowledging that they were sent.

Q. I observe on March 5, 1907, a memorandum signed by Mr. J. F. Fraser—he was the inspector of lights, I think—in which he recommended that authority be given for the purchase of 15 No. 8½ automatic gas buoys at \$3,000 each. Had that anything to do with your department or branch here?—A. I do not know, sir. I do not remember it was sent to me. It would not be. It would be sent to the deputy, or probably the minister.

Q. Then, I find a letter from you of March 27, a little bit afterwards, saying: 'In partial reply to your favour of the 21st instant, saying you have sent us 15 scout type gas buoys and asking what disposition we will make of them, I beg to say,' so and

so. Do you mean to say there that these 15 scout gas buoys were sent to you without any request?—A. Without any requisition on our part.

Q. Without any requisition on your part?—A. There were 27 or 28 altogether sent.

Q. And you see by this you were asked what disposition you would make of them. That letter seems a little odd?—A. I did ask them.

Q. No. Your letter reads this way: 'In partial reply to your favour of the 21st instant, saying you have sent us 15 scout type gas buoys and asking'—that is asking you—'what disposition we will make of them.' Was that the condition, would they send buoys to you and then ask you what to do with them?—A. I don't know what they would do, but I know that is what they did in that case.

Q. That is unsolicited they sent you 15 scout type gas buoys at a cost of \$45,000. and when you got them here you did not know what to do with them?—A. Yes. We stored them.

Q. You stored them. Otherwise you did not know what to do with them. That is right, is it not?—A. I do not know. We had plenty of space in the dockyard.

Q. Storehouse room?—A. No. We left them out in the open, but we had plenty of space for them.

Q. But you left them out in the open, I see. Then you say you will endeavour to utilize them in the best way you can. That was right, was it?—A. Yes.

Q. Having them on hand. Was that in the ordinary course of management of this department?—A. No, sir.

Q. It was not, eh?—A. No.

Q. Was it necessary at the time that those scout buoys should be sent here?—A. I cannot tell from the other end.

Q. As far as you know, it was not apparently?—A. From this end we could not see how we could use them.

Q. From this end you could not see how you could use them. Now, then, I see that following upon that you received a letter from the Deputy Minister of Marine and Fisheries, dated the following day, the 28th of March. You had meantime got the 15 scout buoys apparently. This letter says: 'With further reference to my letter to you of the 21st instant, I have to advise you that additional instructions have been given to the lighthouse depot at Prescott to ship you 13 more scout type gas buoys.' That would make 26 in all. Did you want those 13?—A. I did not say so.

Q. I asked you?—A. I do not know as I wanted them then.

Q. What did you do with them, leave them out in the open?—A. Left them there, sir.

Q. Left them in the air, I see. Then it has added to that: 'As intimated in a previous letter'—which I have not on file my lord—'these are condemned as gas buoys and are to be used either as conical, can or bell buoys, and for the latter a special attachment will be provided.' Then I have here upon the same file—which I will have marked as an exhibit—a letter from Mr. Noble at Prescott written to Mr. Fraser, acknowledging these orders from Mr. Fraser. Did you have any personal communications with Mr. J. F. Fraser about that time?—A. I think not, sir.

Q. Do you know him personally?—A. I have met him once or twice.

Q. Once or twice?—A. Some years ago.

Q. That is all. So this is not the result of some personal communications between you and him?—A. Not that I remember.

Q. It was not a subject of consultation with you as chief agent of the department here?—A. No.

Q. I see. Then I find by the file a letter that you wrote on the 12th of June referring to some of these buoys, saying—it is a letter to the Deputy Minister, my lord, of the 12th of June—'we are in receipt of a letter from the officer in charge of the Dominion Lighthouse, Prescott, enclosing statement of expenses which have been charged against this agency during the fiscal year 1907-8, amounting in all to \$54,657. Included in this amount is a charge of \$25,800 for 29 scout type gas buoys which were shipped here in May, 1907, without any request from us. The buoys have

'been on the wharf here in our way ever since and are of no use to us.' That is the letter you wrote to the deputy minister apparently?—A. Yes.

Q. This letter was written in June, 1908. They were sent in May, 1907, and according to this they were lying on the wharf here in your way during the whole of that time?—A. Yes, sir.

Hon. Mr. CASSELS.—Were those Willson buoys?

*By Mr. Watson:*

Q. Those were Willson buoys, were they?—A. They were called scout buoys, because, I think, they were the kind of buoys that had burst on the little steamer *Scout*. They were used on the River St. Lawrence. Very nice buoys for their use, but scarcely adapted for our coast.

Hon. Mr. CASSELS.—What kind of buoys were they, Willson buoys, carbide buoys?

Mr. WATSON.—I will see if there is any reference to them.

WITNESS.—They used to pump the acetylene into them, and a small tube went up some five or six feet.

Mr. WATSON.—I think there is no doubt about it, my lord.

Hon. Mr. CASSELS.—You say here 'The buoys have been on the wharf here in our way ever since and are of no use, and I must emphatically protest against their being a charge against this agency. I have therefore to request that we may be advised as to what is to be done with the buoys.' You recollect that?—A. Yes, sir.

Q. Then they were taken away?—A. No, sir.

*By Mr. Watson:*

Q. Perhaps they are lying there yet?—A. I think they have been put into more commodious quarters.

Q. So they are still on hand?—A. They are still on hand. And the suggestion has come to us about trying to make them into gas buoys that will hold carbide or small bell buoys.

Q. That is, to let a contract here to have them changed into some other kind of buoys: Is that right?—A. Well, if it would be, it would have to be a pretty cheap contract to get ahead of some other places.

Q. I see. They did not propose to take them away to change them?—A. They may perhaps take them up to Prescott.

Hon. Mr. CASSELS.—What is the cost of those buoys, \$25,000?

Mr. WATSON.—The first 15 were \$3,000 each, that is \$45,000, and the 13 afterwards—the price of those were not mentioned in the correspondence?—A. I think they were all of the same kind.

Q. If they were they were \$3,000 each. For the 28 that would be \$84,000, a pretty large sum?—A. They only charged us \$54,000. They let us have them something cheaper.

Q. At all events, that was the position you took at that time?—A. Yes, sir.

Q. Then I see another letter written by you on the 17th of June—Oh, no, this is written by Mr. Boyle, officer in charge on the 17th of June to the acting commissioner of lights: 'With reference to my account against the Halifax Agency for Scout type buoys I have received a letter from the agent at Halifax as follows:'—Oh, reciting the same letter. You evidently wrote to him as well. 'With reference to the above remarks by the agent at Halifax you might kindly let me know if I would still hold those to the debit of the Halifax agency or if it is your intention to have these buoys returned to Ottawa in order to have the change made on them.' Oh, I see, apparently they were to be sent to Ottawa to have the change made on them?—A. Something of that nature. I don't know.

Q. Then where are they lying now?—A. In the dockyard.

Q. In the dockyard here?—A. Part of our extra work here—

Q. I suppose they are kept insured?—A. Not against fire.

Q. They cannot burn up, eh?—A. Part of our work in the dockyard was extra men to move those buoys.

Q. Yes. Now then, do you know of a steamship here called the *Lady Laurier*?—A. Yes, sir.

Q. And what other ship is there here beside that steamship, the *Aberdeen*?—A. The *Aberdeen* is in our agency.

Q. And what others?—A. We have a little vessel called the *J. L. Nelson*. She was used down at Canso last spring and brought up here and put in here.

Q. I do not want the history; just the names. The *Lady Laurier*, *Aberdeen*, *Nelson*?—A. Yes.

Q. What others, the *Canada*?—A. She is in the fishery protection service.

Q. And the *Neptune*?—A. She is not ours.

Q. Not yours at all?—A. No.

Q. And the *Arctic*?—A. No.

Q. Has the *Arctic* never been with you?—A. No.

Q. Nothing done here on the *Arctic*?—A. No.

Q. And the *Minto*?—A. The *Minto* belongs between Pictou and Prince Edward Island.

Q. She comes here?—A. Occasionally, perhaps.

Q. Pictou is in your district?—A. Yes.

Q. And therefore in your jurisdiction?—A. Yes, sir.

Q. And any others?—A. No, sir. We have a couple of lightships.

Q. I observe during the period referred to the total repairs on the *Lady Laurier* here at Halifax amount to during three fiscal years and the half of this year, \$72,316. That is only on the *Lady Laurier* alone. Were those repairs all made under your direction?—A. Yes, sir.

Q. Under your direction. Had you any personal knowledge of the necessity of the repairs?—A. No; only from our expert officers.

Q. No personal knowledge, I see. You were acting upon the reports of others?—A. Reports from our inspectors.

Q. Reports from the inspectors, that is from Mr. Schmidt?—A. In regard to machinery, yes.

Q. And from whom else?—A. Mr. McConkey in regard to the hull and gear.

Q. Then you acted entirely upon reports from those two officials, is that right?—A. Partly, and also from reports from the captains and chief engineers.

Q. Then did you exercise any independent judgment of your own?—A. Well, I questioned them on the evidence, I went into the facts, got the particulars as well as I could, and then I used my own judgment in saying whether it should be or should not.

Q. I see. Then I understand you to assume personal responsibility in regard to the whole expenditure, is that right?—A. Oh, I had to, as agent.

Q. What do you mean, you had to, you did it voluntarily, I assume?—A. I did it as an official. If I was out side I would not come in and do it.

Q. And now you assume personal responsibility in regard to the expenditure?—A. Official responsibility.

Q. Of course, that is the only way we are addressing you. Official responsibility. Had you a knowledge of the price of machinery and the prices or charges for labour and material?—A. I made some inquiry in regard to prices, but I left that to the experts.

Q. I see, you left that to the experts. Then did you assume responsibility as to the accuracy of the accounts and the bills?—A. Assume responsibility before or after they were made?

Q. After they were made?—A. After they were made I had to. When a bill came to me about machinery I gave it to Mr. Schmidt and I said, ‘Look that carefully through in regard to time and charges and make your report upon it.’ And the same in regard to Mr. McConkey.

Q. That is what you did?—A. Yes.

Q. Then afterwards you found that these gentlemen certified, and you put your certificate upon it as well?—A. Yes.

Q. And the putting of your certificate upon it then is for the most part a matter of form?—A. No, sir, not a matter of form. Having gone through it first and questioned as well as I could with the best judgment I possess, and it was then left open when it came to me to look it over again and again to ask Mr. Schmidt or Mr. McConkey to tell me about this or that item which I did not consider satisfactory, then they came and explained to me, and then I signed.

Q. But I asked you before whether you were personally familiar with machinery, the quality and cost of machinery, with material, the quality and cost of material, and with the labour, the value of the labour; you said you were not?—A. I told you I was not.

Q. Then without that knowledge, why would you certify to the correctness of the accounts?—A. I had scanned the bill and looked over it, and if there was any item that struck me—

Hon. Mr. CASSELS.—He was certifying on the report. For instance, take the men's time, Mr. Parsons could not possibly know what that was; he must accept the statements of his subordinates.

*By Mr. Watson:*

Q. Then, just as his lordship indicates—which was the next question, of course, I had to ask you—with regard to time, that is the charge for labour; did you take any means yourself as chief agent here of testing the accuracy of the account as to the amount of labour expended?—A. Yes, sir.

Q. What did you do?—A. I had the captain to appoint one of his officers and it was generally, I may say, always as far as I know, the chief officer, to keep the time of the men. We supplied them with time books and had them to be careful to see that the time was put in and, I also added to the captain to see that good work was done while the officer would be overseeing it.

Q. You told the captain to see to it?—A. Yes.

Q. Then were the records produced to you?—A. Sometimes.

Q. Sometimes, eh?—A. Yes.

Q. Then sometimes not?—A. Well, if it was a small bill and satisfactory, the captain would come in with it and hold it in his hand perhaps, and I would be sufficiently satisfied to let it go.

Q. Then perhaps that was a little bit loose?—A. No, I don't think it was; I think it was not.

Q. Sometimes you would do it, and sometimes the captain perhaps would have it in his hand?—A. And give it to me sometimes.

Q. Then had you any personal knowledge, apart from that, as to the labour necessary to be expended—I suppose you had not?—A. I had not. I had no more knowledge than you have.

Q. How long has the steamship *Lady Laurier* been in service?—A. I think about five years.

Q. Five years?—A. Four or five years.

Q. That is all. What was the cost of that ship?—A. I do not know.

Q. Do you not?—A. I do not know.

Q. Have you any idea of the cost of it?—A. I think \$150,000 or \$175,000.

Q. \$150,000 to \$175,000?—A. But I do not know. That is only a guess on my part.

Q. And is it the fact that during that five years more than \$100,000 has been expended in repairs to that ship; is not that the fact?—A. I think so, sir.

Q. More than \$100,000 has been expended upon repairs, perhaps \$150,000?—A. I cannot say in regard to that.

Q. You cannot say. At all events more than \$100,000. That upon its face would

strike us—I do not know how it strikes you—as extraordinary and abnormal?—A. It is not so for yachts.

Q. I see, yachts are expensive, too, are they? Then we will come to the yachts afterwards, but we are speaking now about the *Lady Laurier*; I say that would strike one as being a very extraordinary and abnormal expenditure. Does it so strike you?—A. No, sir.

Q. It does not?—A. No.

Q. Oh, I see?—A. Our ship is a working ship, has heavy work to do, and she has to work twelve months in the year; she is not laid up four or five months in the ice, but she has to work twelve months in the year, and it costs \$20,000 to \$30,000 to keep her in trim.

Q. It costs \$20,000 to \$30,000?—A. It should cost that at least.

Q. I see, it should cost that at least. You make that just as a business proposition, as a man with a knowledge of steamships?—A. Having some knowledge of steamships and some knowledge of general business.

Q. And it should cost between \$20,000 and \$30,000 a year to keep that steamship in repairs?

*By Hon. Mr. Cassels:*

Q. What kind of work was she doing?—A. She was lifting and carrying heavy buoys on our coast, putting them overboard and lifting them on deck; some of them weighing 15 to 20 tons, and the anchor weighing seven to eight tons, and sometimes she would have to do this in a rough sea and would come in with her sides knocked by hitting against the buoys.

Q. Did she take up the buoys in the fall?—A. We keep out most of our buoys.

Q. How many would she take up in the fall?—A. We would take up 12 or 14 altogether; we have 100 buoys on our coast.

Q. What was the boat doing in the winter?—A. It was out. Whenever there was a storm, we would get a telegram saying that certain buoys had broken adrift; then we would send the ship out for them, she would have to find them in the ocean and tow them into port.

Q. Now then, that expenditure very much astonishes me. No doubt you have a personal knowledge about it. From what you say, it would appear that the ship is too light for the service?—A. No, sir, she is well adapted.

Q. So it would not be possible to get a ship for the service better adapted and which should not cost in the neighbourhood of \$25,000 a year for repairs, according to your judgment?

Hon. Mr. CASSELS.—Mr. Watson, have you any memorandum showing how those repairs were apportioned as between machinery and hull?

Mr. WATSON.—Yes, my lord, I have.

Hon. Mr. CASSELS.—Because this racking business would be to the hull.

Mr. WATSON.—Yes, my lord, that is quite right.

Q. Now, I see, just following that up, that the statement we have had prepared for our use shows that in 1904-5 the repairs to the hull amounted to \$5,979, leaving out the cents, and the repairs to the engines amounted to \$14,271. How do you account for that? That was not the hull so much as it was the engines. Does it destroy the engines?—A. Oh, it injures the engines to work in rough water and weather.

Q. I see. Have you to get new engines every year?—A. No, sir.

Q. Well, here is an engine that during that year cost \$14,271 to repair. That was very soon after the ship was bought, is that right?—A. It seems like it.

Q. It seems like it. Then in 1906-7, that year the cost of repairing the hull was \$6,691, and the cost of repairing the engines, \$15,959. Would that buy a new engine?—A. No, sir.

Q. Just repairs to the engines?—A. It would not half pay for a new engine.

Q. Then, I see, next year, the cost of the hull or the repairing of the hull that

year was \$10,541, and the engine repairs, \$9,926. So that you will observe, Mr. Parsons, that the total cost of the repairs to the hull has not been half as much—that is accurate, has not been half as much—as the annual cost of the repairs to the engine. How do you account for that?—A. Well, the engine is the motive power.

Q. Of course, we know that. What is the wear and tear—you explained to his lordship about the wear upon the hull—how do you account for this as to the engine?—A. When the ship goes out into our ocean here, the engine is undergoing work and wear, and when the experts look it over, they decide what is required to be repaired or renewed, and I would not say 'No' to their opinion.

Q. That is right. Well, of course every moving power, motive power, has a certain amount of wear and tear—we have that ourselves, don't we?—but that is all you can say about it?—A. That is all, sir.

Q. How much did that engine cost in the first place?—A. I do not know.

Q. About how much?—A. I do not know.

Q. Have you any idea?—A. I have only one idea.

Q. How much did the new engine cost?—A. A new engine was put into the *Aberdeen* up at the Polsons Iron Works a few years ago, and repairs were made there; she was nearly eleven months up there at the works.

Q. How much did the engine cost?—A. Some one told me, one of the engineers told me, the chief engineer, that it cost \$54,000 or \$56,000, I don't know which.

Q. For that?—A. But I have not gone into particulars in regard to what an engines would cost.

Q. Now, the *Aberdeen*, is that a large ship?—A. No, sir, not quite as large.

Q. Does it do the same kind of service?—A. The same kind, but not so heavy.

Q. Not quite so heavy, is that right?—A. Yes, sir.

Q. In other respects practically the same?—A. Yes, she does our coast work.

Q. How much does the *Aberdeen* cost, about how much?—A. I do not know.

Q. Not any more than the *Laurier*?—A. Well, only a year and a half ago—

Q. Leave out history.—A. She came from Polsons, having been repaired there, and we have not made extensive repairs upon her since.

Q. That is a year and a half ago. I see the total repairs in this office to the *Aberdeen* is only \$25,000 as against \$72,300 for the *Lady Laurier*. There is quite a difference there?—A. Well, if you will add the \$50,000 odd of Polsons account to what is there you will find them nearly alike.

Q. Yes, if that was incurred. Now then, as agent of the department was any report made to you here with regard to the repairs—just speaking of the matter you introduced—and changes made at Toronto?—A. No, sir, no report was made to me.

Q. No report was made. Because we are informed that when the *Aberdeen* reached here after being in the shops there it was found that a propellor and condenser and some other such things were charged for which did not appear upon the ship. Have you any knowledge of that?—A. No, sir.

Q. And that further there was representation made of work done in the sides of the ship which had no appearance of being done. Were these things called to your attention?—A. Well, it may have been mentioned to me, but—

Q. It may have been mentioned to you, I thought so. By whom?—A. I do not remember.

Q. By one of the officials?—A. Well, the late Douglas Stephens, who was Government Inspector of Engines and Machinery at that time, went up to Polsons and came down on the *Aberdeen*.

Q. I do not want a long history about it?—A. And then he—

Q. Who mentioned it to you?—A. When he came here he talked it over, and I think he mentioned to me some things.

Q. Some things?—A. Well, whether he mentioned all those I do not know.

Q. Did you report those things to the Minister or Deputy Minister?—A. No, sir.

Q. Why did you not?—A. I am under the impression strongly I asked Mr. Stephens, 'Have you reported it,' and he said he had.

Q. You are under the impression you asked if he had reported it?—A. Yes. I do not know of any other person I could possibly ask. I asked, ‘Did you report that to Ottawa?’

Q. You did not make any report?—A. No. I heard it as an item of news in conversation.

Q. In conversation, I see. And did the assistant of Mr. Schmidt make any report to you in regard to those matters?—A. No, sir.

Q. At any time?—A. Not in regard to the *Aberdeen*.

Q. What is his name?—A. His name is Stephens.

Q. You do not recollect?—A. I feel quite sure he did not. He reports to me about the construction of buoys.

Q. Now then, we have had it in evidence that a very considerable part of the work was done without prices being fixed, prices were charged. That is in accordance with the course pursued is it?—A. Well, in regard to machinery—

Q. But can you just answer shortly without a long statement? Is that so, that a considerable part of the work was done without prices being previously fixed?—A. That is without a contract?

Q. Yes?—A. Yes, sir.

Q. That is so. And that applies to practically the whole of the expenditure upon the *Lady Laurier* and the *Aberdeen*. That is so?—A. No.

Q. Not practically the whole of it?—A. Not practically the whole of it.

Q. At all events the greater part of it. Show me any contract?—A. I have not any contract here.

Q. Did you ever see any contract in writing?—A. No. The contract was made between Mr. Schmidt and the persons to do the work.

Q. Did you ever see any contract in writing?—A. Yes.

Q. When?—A. Some time, oh, this year, 1908, and last year, 1907.

Q. Did you make any contract yourself?—A. No, sir.

Q. But you were chief agent here, would not that come within your jurisdiction, making contracts as to expenditure?—A. Not necessarily.

Q. Not necessarily?—A. If Mr. Schmidt wanted certain things he would write out a memorandum to show to me and I would approve.

Q. That would be done without reference to you as chief agent?—A. No; he would speak to me about it first.

Q. Would you get details of the prices and all the particulars?—A. Yes. He would go over those things, and I would say, ‘Make a memorandum of it,’ and he would sign.

Q. Make a memorandum. And then you would authorize him to sign your name?—No, certainly not.

Q. To sign his own name. And did you report that to Ottawa that was being done?—A. Sometimes we did.

Q. Who are ‘we’?—A. I mean the office.

Q. Sometimes the office did I see. Then with regard to the portion of the work that was done without any reference being made to prices you depended upon the people charging what were reasonable prices?—A. Port rates.

Q. Yes, you depended upon the merchants charging what was right?—A. The port rates.

Q. The port rates?—A. Yes, sir.

Q. Oh, but we have heard evidence about what the profits were. Did you know what the percentage of profit was?—A. No, sir.

Q. You did not know what the percentage of profit was, that never came to your knowledge?—A. No, sir.

Q. That applies practically to all items of expenditure I assume. Then did you have any record in your office of the current prices for material and labour, any written record?—A. Oh, I think we have printed records.

Q. Printed records?—A. Yes.

Q. I would like to see some of them. Can you get them easily?—A. No.

Q. Why not?—A. They are in the office up in the dockyard.

Q. I suppose it would be quite easy to send for them?—A. Mr. Mitchell has been our—

Q. Never mind. Would it be quite easy to send for them?—A. Quite easy to get them from Mr. Mitchell.

Q. Well, you can get them from Mr. Mitchell, can you? I would like to see those records.—A. I presume so.

Q. Have you any doubt about it?—A. No, sir.

Q. When did you last see them yourself, a few years ago?—A. At least one this week.

Q. This week. This is a record of current prices of material and labour, a written record?—A. Oh, no, a printed record of prices.

Q. Where was it printed?—A. In Halifax.

Q. And have you got a record of current prices for supplies?—A. We have contracts for supplies.

Q. I am not asking you about contracts. Have you any record in your office according to which you may proceed as a standard regulating the prices of supplies, the prices of labour and material?—A. Oh, those things that are under contract we go by the contract price.

Q. I am speaking outside of contract?—A. No, I leave that to the experts.

Q. You leave that to the experts. You have not anything of that kind yourself?—A. I have some knowledge in talking to persons, I have knowledge given to me that I have not written down.

Q. For the most part then you rely upon others?—A. I rely upon the experts.

Q. You rely upon Mr. Schmidt and Mr. McConkey?—A. Mr. Schmidt and Mr. McConkey.

Q. Any one else?—A. Captain Johnston as Superintendent of Lights.

Q. Anyone else?—A. Mr. Tremaine, as our accountant, looks in.

Q. As accountant has he a knowledge of prices, is he assumed to have a knowledge of prices of supplies, material and labour?—A. Yes, he is supposed to have.

Q. So it is his duty then to check the correctness of accounts, is it?—A. Yes.

Q. His duty to check the correctness of all accounts?—A. Yes.

Q. Before they reach your hands?—A. And he signs to the correctness of them.

Q. Before you sign them?—A. Those that he signs I do not sign.

Q. Does he sign those when you are present or only in your absence?—A. He signs all the accounts now since my illness two years ago.—A. D. B. Tremaine, pro agent.

Q. Since the last two years at all events you have not been assuming any responsibility with regard?—A. With regard to those prices?

Q. Yes.—A. I have spoken to Mr. Mitchell, the clerk, to warn or caution him to see he got the best prices in town he knows of.

Q. I see. But you yourself have not assumed much responsibility about it?—A. No. There are dozens of things I do not assume personal responsibility of.

Q. Dozens of things. So contracts at least with regard to prices and expenditures, you have to leave that to others in the office—A. Whose special duty it is

Q. And you name those others as Mr. Tremaine, Mr. Mitchell and Captain Johnston?—A. Captain Johnston, Mr. Schmidt and Mr. McConkey.

Q. Then do you trust to other people as well, do you trust to the merchants?—A. No. I very seldom speak to the merchants. I used to sign all those accounts myself.

Q. Yes. Is it not a fact that there is a large amount expended uselessly for provisions in this agency, and have you not so stated yourself?—A. No, sir.

Q. Eh?—A. No, sir.

Q. You have not?—A. (Witness shakes head.)

Q. And you say that is not your view that there is a large useless expenditure in this agency?—A. Yes, I think there is not.

Q. You think there is not?—A. Yes.

Q. You are not quite sure then?—A. I am as sure as that.

Q. As sure as you can think, I see. Then what is the useless expenditure that is incurred here? Tell us about it please.—A. Did I say useless expenditure?

Q. No. I am asking you is there any useless expenditure incurred here?—A. I think there is not this year.

Q. This year, I see. What about last year?—A. Oh, there may have been some luxuries on board the ships, somewhat similar to what the table is on ocean liners, and it was not with—it was with my knowledge part of the time, it was not with my consent.

Q. Against your protests?—A. Yes.

Q. To whom did you protest?—A. I protested to the deputy minister, Mr. Gourdeau.

Q. And what were you told by him?—A. That they would, that the crew would go to the members, and the members would write up to Ottawa and make a fuss about it, and it was just as well to let it rip.

Q. Better let it rip, I see.—A. I endeavoured for years—

Q. So has that been one of the mottoes, let her rip?—A. No, sir, that has never been the motto.

Q. I mean to say that has been one of the things you have heard of, and, you say, heard of from the deputy minister: is that right?—A. Yes.

Q. Yes, that is right. How often have you heard of that from the deputy minister?—A. Never but once.

Q. And when was that occasion?—A. That was about 1898.

Q. 1898. That is a long time ago?—A. Only ten years.

Q. Once in ten years is often enough to rip?—A. Yes, I should think so.

Q. It would last for at least ten years?—A. It is remembered—

Q. It is remembered?—A. Because I had endeavoured to cut down the bills and to stop the luxuries, and Commander Spain and Mr. Gourdeau, the deputy minister, came here and I laid the matter before them.

Q. Oh, Commander Spain came here as well?—A. Yes, he was here.

Q. And then what took place, please?—A. Well, I brought up the items of what I considered luxuries, and it was stated to me that some leeway—

Q. What?—A. Some leeway might be given and they could have a little better perhaps than we had been pressing them down to. This last summer, by orders from Ottawa, pressure has been put on again.

Q. What pressure?—A. Taking away fruits from the table two or three times a day, fruits out of season, tropical fruits.

Q. I see; they are living like kings then?—A. No, sir; like passengers on board of a boat going across to England.

Q. Then what did the deputy minister say on this occasion when you saw him here with Commander Spain?—A. He just advised—

Q. To be easy?—A. I should not put the pressure on too much.

*By Hon Mr. Cassels:*

Q. What did he say about the members going to Ottawa and making representations, Mr. Parsons?—A. I beg your pardon?

Q. What did the deputy minister say about the pressure that would be brought to bear in Ottawa by the members, and so on?—A. He said, ‘They will go to the members, and the members will write to Ottawa and bother us up there, and you had better be easy on it.’

*By Mr. Watson:*

Q. Has that been allowed to run on since 1898?—A. I think so.

Q. In consequence of those instructions of the deputy?—A. Oh, yes; I was opposed to it.

Q. I understand?—A. I did not allow it.

Q. Still, you allowed things to go on in consequence of instructions?—A. I had to bow very much against my will, because I had given a decision before which I had to recall.

Q. What did Commander Spain say?—A. I do not remember of his saying anything.

Q. You do not remember of his saying anything?—A. He was quiet.

Q. I see; he was quiet. And then did you get similar instructions from any one else?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Now, then, you have spoken of these directions from the deputy minister, and you say the deputy minister introduced the names of the members. Did the members ever speak to you on the same subject themselves?—A. No, sir.

Q. What?—A. No, sir.

Q. Not on any occasion?—A. No, sir.

Q. Did you ever have any personal communication with them?—A. No, sir, I avoided that.

Q. Was it necessary to avoid it, was it?—A. Not necessary, I do not know as it was, but I never introduced—they were always busy men, and when I went to speak to them I went to speak of that which would prevail, something I did not want to get into a fuss with them about, prices of pork and beans or any of these articles.

Q. I see, you did not want to get into a fuss with them about those prices?—A. Certainly.

Q. Eh?—A. Certainly.

Q. So you avoided it as a dangerous subject?—A. As a matter of conversation, I did not want to talk about it. I had my own views.

Q. You had your own views. Have the members, or has any member here at Halifax, intervened in regard to prices of material?—A. No, sir.

Q. At any time?—A. No, sir.

Q. Do you say not?—A. Yes.

Q. But you have spoken about what the deputy minister said?—A. That was in regard to provisions.

Q. Well, I suppose there are prices for provisions as well?—A. Yes, sir.

Q. Never anything of the kind, eh?—A. No.

Q. Is that what you say?—A. Yes.

Q. Not during the last three or four years or before that time?—A. Yes, for seven or eight years.

Q. Seven or eight years?—A. Or ten years.

Q. Ten years, nothing of that kind. Now, you see how this is brought to a tension, and necessarily so, because upon a government file here, to which reference has previously been made, is a memorandum signed by W. W. S., That is Mr. Stumbles. Do you know that gentleman?—A. No.

Q. Has he ever been here?—A. Not that I know of.

Q. He says that 'Mr. Carney, member of parliament, requests that 30 barrels of linseed oil at 65 cents raw and 68 cents boiled and two tons of sheet lead at 7 cents a pound be purchased from Messrs. Wm. Robertson & Co. The oil and lead might be purchased and kept in store as the price is low, but it cannot be paid for until the estimates pass this session.' That is by Mr. Stumbles. Now, assuming this is an accurate record made by Mr. Stumbles as to what Mr. Carney requested of him in Ottawa, would it not naturally follow that similar requests were made of you here, and is that not so?—A. Not so.

Q. Not so. Then it has been stated to us that that kind of occurrence is frequent here at Halifax?—A. Who told you that?

Q. I am not at liberty to tell you. We got a great many communications that

are anonymous and otherwise; people do not allow their names to be used. Is there any foundation for any such information?—A. That never came to my knowledge before.

Q. I am not speaking of this. Is there any foundation for the information that this class of matter with regard to other things and other men indicates the course pursued here?—A. It was not the course pursued here generally.

Q. Generally, I see. You open the door. Then I would assume from your answer that it did occur sometimes, is that right?—A. No, sir.

Q. Then why did you say ‘not generally’?—A. Well, I say generally, I cannot remember every particular occurrence that happened in the last twelve years.

Q. Did it ever occur?—A. I do not remember of a circumstance occurring when any member wanted me to buy any quantity of materials from any person.

Q. Or any such occurrence. We have had from more than one witness that special orders were obtained from time to time through the intervention of the members. What do you say as to that?—A. Special orders?

Q. Yes. That is, when it was ascertained in some way that work was to be done or material furnished, supplies furnished, that then the members would recommend to you that the orders should be given to A, B, C, or D, as the case may be?—A. That was under the rules of patronage.

Q. And did that apply from year to year?—A. Yes, sir.

Q. And from month to month in each year?—A. Yes, sir.

Q. And did you observe these requests?—A. Generally as far as we could.

Q. Generally?—A. As far as we could.

Q. Then the fact is you have been delivering orders in accordance with the requests of the members from time to time. That is the way it is, is it not?—A. No. These things that were under contract could not go as the members would want.

Hon. Mr. CASSELS.—Then designated the merchant, that is all?

*By Mr. Watson:*

Q. Is that so, that some one would designate to you which merchant or manufacturer or dealer particular orders should be given from time to time?—A. Yes.

Q. That has been the course?—A. Yes.

Q. Each time, yes. So it was not your own independent judgment that was exercised from time to time as to where the work should be done or by whom, or by whom materials should be furnished. That was done by recommendation?—A. By the member of parliament having the patronage.

Q. I see. Now, Mr. Parsons, my understanding of the system was and is that the patronage list was made out and sent in, and that the agent exercised his judgments and discretion in distributing orders according to the merits of those on the list. Apparently that has not been pursued by you?—A. I think it has.

Q. But you say you have been directed in respect to practically each and every order?—A. I beg your pardon. I did not say each and every order.

Q. But apart from contract, I think it went that far?—A. Apart from contract suggestions came, but not all the work outside of contracts.

Q. And you followed the suggestions?—A. If Mr. Roche would recommend a man, why, we would let him know perhaps by telephone or write to him that this is under contract and must go to so and so.

Q. That is where there were contracts; so we understand from that the course which was pursued. Was that limited to Members, or did it reach outside of the Members?—A. Only the Members of Parliament.

Q. How long has that system been in vogue?—A. I do not know, sir.

Q. You do not know?—A. I think for the last probably 30, perhaps 40, perhaps 50 years.

Q. Have you any knowledge as far back as that?—A. I think for nearly 40 years.

Q. That system you have spoken of?—A. The patronage system.

Q. But the system of directions, suggestions in regard to individual orders?—A. I do not know the particulars, but I know of the patronage.

*By Hon. Mr. Cassels:*

Q. Mr. Parsons, in most other places where the patronage list has been referred to, what generally takes place is this, either tenders are advertised for which are responded to by everybody on the patronage list?—A. That is what we did largely.

Q. Or in particular cases where no tenders are invited some one is picked out from the patronage list; but in no case hitherto, except here, have the Members intervened so as to govern the patronage list.—A. Yes, they could take any name off the list they wished and they could add names to the list.

Q. That is the creation of the patronage list. Once the patronage list is created the Member would seem to come along and recommend so and so?—A. Well, he goes on the patronage list, whatever name is recommended.

Q. Yes. But start with the patronage list, you might have twenty on the patronage list. Well, the Member comes along and designates which one to give the order to in Halifax?—A. Yes, sir.

Q. That is the difference?—A. And sometimes there was only one man on the patronage list in his line.

*By Mr. Watson:*

Q. Well now, Mr. Parsons, you remember about the *Hestia* and the *Mount Temple*, do you?—A. Yes, sir.

Q. were you aware at the time that payments were made to Captain Johnston?—A. After they were made.

Q. After they were made you were aware of that?—A. A question arose and Captain Johnston told me.

Q. Yes. Did you protest against those payments? Just yes or no, if you can, please.—A. I did.

Q. You did. And to whom did you protest, to Captain Johnston?—A. Well, verbally to him, but I wrote our protest up to Ottawa, to the department.

Q. I see. Have the moneys ever been refunded to the department to your knowledge?—A. They never came to the department so far as I know.

Q. Never so far as you know. Now, I observe in the file, which is already of record, one of the files already of record, that on the 22nd of May, 1906, a telegram was sent to you as agent with reference to the *Hestia* as follows:—‘With reference to *Hestia*, if no other steamer available *Lady Laurier* is to render all possible assistance in getting her to Halifax. It is to be an understood thing that owners of *Hestia* are to pay for work done. You will make arrangements with them to this effect Communicate with Pickford & Black. (Signed) Deputy Minister.’ Did you communicate in accordance with this direction?—A. Yes.

Q. With Messrs. Pickford & Black?—A. Yes, sir.

Q. You communicated with them, and that the government was to be paid direct?—A. We rendered them a bill.

Q. You rendered them a bill, I see. The bill you rendered amounted to \$4,000?—A. I think \$3,600.

Q. \$4,000 first, and then it was changed apparently?—A. Yes, \$3,600.

Q. Perhaps it was not rendered first, but that was the first suggestion anyway, \$4,000, and then it was put at \$3,000. That bill was rendered to Messrs. Pickford & Black?—A. I think so.

Q. What position did they take, refuse to pay it?—A. I think so. I was sick at the time, and that was rendered I think by Mr. Tremaine as acting agent.

Hon. Mr. CASSELS.—Who was acting on the 22nd of May, 1906?

*By Mr. Watson:*

Q. Who was acting on the 22nd May, 1906, were you acting or Mr. Tremaine?—A. I was sick occasionally.

Mr. WATSON.—I see, on the 14th of May a letter signed by Mr. Tremaine, my lord, as acting agent.

Hon. Mr. CASSELS.—Would you mind reading that telegram again?

Mr. WATSON.—Yes, my lord. (Reads telegram.)

Q. That was specific, and you made that communication to Messrs. Pickford & Black?—A. Rendered the bill.

Q. You made that communication to Messrs. Pickford & Black?  
Hon. Mr. CASSELS.—I understand the agent was ill at the time.

*By Mr. Watson:*

Q. Who made that communication?—A. I think Mr. Tremaine.

Q. Have you any personal knowledge of that being communicated?—A. I have a recollection Mr. Tremaine called me up by telephone one day and read something like that to me and asked my opinion.

Q. Asked your opinion?—A. Asked me if he should go forward and I said 'Yes.' That is what I remember in regard to it.

Q. Yes. And what else?—A. Afterwards when I got in the office going over the files I saw the bill and I read over the correspondence and I conferred with Captain Johnston, had a verbal conference.

Q. Now, after that time we observe from the correspondence that Messrs. Pickford & Black stated that they paid Captain Johnston the money that has been referred to, and that they had an understanding that no other charge would be made, no charge would be made by the government. Did they take that position with you?—A. I think they did.

Q. You think they did. When was that, was that after you returned to the office?—A. I am not sure.

Hon. Mr. CASSELS.—That was after the work was all done, Mr. Watson.

Mr. WATSON.—Oh, yes, that was after the work was done.

Hon. Mr. CASSELS.—If you at any time wish, Mr. Parsons, you may retire and come back again in the afternoon.

Mr. PARSONS.—Perhaps it might be better to go on after lunch, and in the meantime to rest?

WITNESS.—I will keep on.

*By Hon. Mr. Cassels:*

Q. Do you prefer to?—A. Yes. We are now in it and had better get through the *Hestia* matter.

Mr. PARSONS.—Perhaps after you are through that item, Mr. Watson?

Mr. WATSON.—Yes.

Q. After this there was considerable correspondence—this was at an early stage apparently—after this a formal claim was sent in?—A. Yes, sir.

Q. And after that it was resisted by Messrs. Pickford & Black?—A. Refused.

Q. Refused, I see. And refused upon the ground that payment had already been made to Captain Johnston, and that was understood to be in full of everything: Is that not right?—A. Oh, I am not sure. I do not know what ground they took.

Q. The correspondence shows that. There is a letter to that effect here.

Hon. Mr. CASSELS.—Yes.

*By Mr. Watson:*

Q. Then you yourself, you say, protested against Captain Johnston receiving the money?—A. I questioned Captain Johnston about it and got his explanation.

Q. And did you know he received money in regard to the *Mount Temple*?—A. No, sir.

Q. Did you not know that at all?—A. Not until after this investigation.

Q. Never heard of that?—A. No, sir.

Hon. Mr. CASSELS.—I think Mr. Parsons had better rest until after lunch.

Mr. WATSON.—Yes, my lord.

Q. Will you kindly be with us at a quarter after two for a little while again?—A. I will try to.

Q. We will excuse you now, that is, until that time.

WILLIAM A. BLACK.—With reference to the \$1,900, the items are all here. It is \$550. There is the \$350. for ropes supplied to the *Lady Laurier*, which were destroyed, and there is the thousand dollars given—

Mr. WATSON.—I will have to go all over it again after I see the book.

Mr. BLACK.—I ask, my lord, to make that explanation with regard to the three items.

Hon. Mr. CASSELS.—You have made it already.

Mr. WATSON.—Let me see it, and please come around into the witness-box in the usual way, like other witnesses.

Mr. BLACK.—All right, sir.

W. A. BLACK, recalled.

*By Mr. Watson:*

Q. Where is the entry in the book of the payment of the thousand dollars? Show me the place, please?—A. That was—

Q. I will ask you another question in a moment.

Hon. Mr. CASSELS.—Would you mind reading out the entries, so that the reporter may get them?

Mr. WATSON.—Yes, my lord, as soon as I find them. I see it is on page 190. This is in the margin 200, representing, I assume, £200: ‘Captain of *Lady Laurier*, per salvages, gratuity to captain and officers of that steamer for their services to the *Hestia* and her cargo, allowed to general average £200. Marked in full.’ This is printed, I see. Have you got a book where there is any handwriting?—A. The original, I presume, was made up in handwriting; that is a printed copy of it.

Q. Will you be kind enough to let me see the original?—A. You will have to go to the owners, in Glasgow, for that.

Q. Is that your book?—A. That is our book.

Q. Then, why have to go to the owners?

Hon. Mr. CASSELS.—That is a copy.

WITNESS.—That is copied and distributed to the various parties interested, the original being with the underwriters, I presume.

*By Mr. Watson:*

Q. Do you keep your own books of record?—A. Our own books?

Q. Yes?—A. We keep a set of books.

Q. What I wanted is your set of books; not the set of books made in Glasgow?—  
A. No.

Q. Where was this printed?—A. In London.

Q. All right, this is made in London. Where is your own set of books?—A. In our office.

Q. Will you kindly produce them at a quarter past two for about the same date, the same matter?—A. All right, I will do that. You want the books bearing on that?

Q. Yes, the original entries.

(Book showing account of *Hestia* marked Exhibit 404.)

A. DEB. TREMAINE, recalled.

*By Mr. Watson:*

Q. On May 22, 1906, were you the acting agent here?—A. Yes, sir.

Q. Acting agent. And do you recollect the receipt of a telegram?—A. I do, sir.

Q. Of that kind? (Exhibiting.) In pursuance of that telegram did you at once make the communication to Messrs. Pickford & Black?—A. I did.

Q. At that time?—A. At that time.

Q. Did you do so in writing?—A. I think not. I saw Mr. Pickford personally.

Q. Would that not be a matter for written record?—A. I have sent for the files, Mr. Watson, and I will be in a better position to state exactly what I did.

Q. Your recollection is, you saw Mr. Pickford?—A. I went to Pickford & Black's office and saw Mr. Pickford himself, and told him, read him the telegram and told him the circumstances and told him the charge would be \$400 a day for the services of the *Lady Laurier*.

Q. You told him that?—A. I did, sir. Your records there must show that letter somewhere.

Q. Yes, the correspondence shows that a charge was made, not what?—A. I wrote the department.

Q. Listen. Not what you told him?—A. I beg your pardon, the records should state that.

*By Hon. Mr. Cassels:*

Q. You wrote to the department reporting the result of the conversation, is not that so?—A. Yes, my lord, I wrote them to that effect, and I have sent for our own files.

*By Mr. Watson:*

Q. Have you a copy here?—A. No, I have sent for it.

Q. You have it?—A. Yes.

Q. I would like to get it, because it is absent from the department record?—A. I presume it is there. I should have sent for it before.

Q. And at the same time you told them that a charge would be made of \$400 a day?—A. I did.

Q. And what did Mr. Pickford say about that?—A. Well, the impression I gathered from him—

Q. What did he say?—A. That it was a reasonable, well—

Q. That is all right?—A. It was a reasonable charge. I can tell you the circumstances of the case in short if you wish it.

Q. Well, we have had a good deal, all we want indicated, unless you have something to volunteer. Then did he afterwards change his position from that?—A. Mr. Pickford did not afterwards, because he was away in England when the correspondence took place.

Q. Who took a different position?—A. Either Mr. Black or Mr. Hensley, one of the members of the firm.

Q. Was that Mr. Black here?—A. Yes. I think as a matter of fact it was Mr. Hensley I spoke to afterwards.

Q. Yes. Then after that were you informed that payments had been made to Mr. Johnston, and that those were arranged to be in full of the whole claim?—A. The correspondence indicates—

Q. Were you told that?—A. Yes, I was told it by letter.

Q. You were told it by letter. Written after May 22?—A. I could not state definitely without the files.

Q. Some time after that?—A. Some time after that I was informed by them the matter had been closed up, the general average had been made and all the assessments made and they could not pay a further amount.

Q. How long after that was it?—A. I could not tell without the files.

Q. About the end of that year, do you recollect?—A. Yes, my impression is it would be towards the end of that year.

Q. I see, after you were told that. Then did you ever give any other instructions to them than such as are conveyed to you in this telegram?—A. No.

Q. Eh?—A. No, certainly not.

Q. Did you ever have any understanding with them, notwithstanding the telegram, that no charge would be made by the department?—A. Certainly not.

Q. Certainly not. At the time you got this telegram, did you communicate it to Captain Johnston, who was the captain of the ship?—A. I think probably not.

Q. You think probably not?—A. I think probably not.

Q. That does not help us very much?—A. Well, I could not say positively, but I

do not think it is at all likely I did. I do not communicate with captains of the ships in matters of that kind.

Q. I see. Did you ever make any such communication to him?—A. I could not say positively.

Q. You could not say positively?—A. No, I could not.

Q. But afterwards you became aware that money had been paid to him?—A. I did.

Q. Did you then communicate to him what was there?—A. Certainly, I instructed him to return the money to Messrs Pickford & Black on receipt of instructions to that effect from the department.

Q. You instructed him to do so?—A. I did.

Q. Did you give him such instructions in writing or verbally?—A. I cannot answer that question without the files.

Q. What was the answer?—A. He declined.

Q. And did you inform the department at Ottawa?—A. Certainly.

Q. That you had made that demand and that he had refused?—A. I did.

Q. Then that is the position?—A. That is the position.

Q. It was after that time, I understand, that he was appointed inspector of lights?—A. It was some time after.

Q. Was that upon the recommendation of the agent here?—A. His appointment?

Q. Yes?—A. I am not aware.

Q. You are not aware?—A. I am not aware he was recommended by the agent, I could not say.

Q. You could not say?—A. No.

Q. Did you participate in any recommendation?—A. No, sir.

Q. That was a promotion?—A. I do not know he considered it a promotion.

Q. It was an increase, at all events, of remuneration?—A. No, it was not.

Q. Not any increase, just the same, was it?—A. I should rather imagine it was decreased instead of increased.

Q. Why so?—A. Because he was in a position to get amounts outside.

Q. Gratuities?—A. Well, if you call them gratuities; which he has not in that position now.

Q. No, indeed?—A. Well, not in that way, not as captain of a ship he has not.

*By Hon. Mr. Cassels:*

Q. He has not so many opportunities?—A. No, there is not any question of salvage or anything of that sort.

*By Mr. Watson:*

Q. Well, then, will you tell me in your office do you keep a debit and credit account with the merchants and manufacturers?—A. No, sir.

Q. You do not, no such account at all is kept in your office or agency?—A. Not a debit and credit account.

Q. Do you keep in your office any record of goods and material supplied to your department by the merchants and vendors?—A. Yes, sir.

Q. In retail?—A. In detail.

Q. Of record?—A. Of record.

Q. I see. As it comes in?—A. Yes.

Q. Then it is not necessary that accounts should be sent to you to inform you what has been supplied; you got that from day to day?—A. Yes.

Q. For instance, take it that certain supplies are made to-day to the amount of \$1,000?—A. Yes.

Q. Do you enter of record in your books the details of that supply?—A. Not in our books at that time.

Q. Oh?—A. We—

Q. When do you enter it, after you get the bill?—A. After we get the bill.

Q. That is after the door is open, after the account is rendered?—A. We make the record in this way in the order book, a written order is in all cases made and sent out.

Q. That is when given?—A. Nothing else but written orders.

Q. Always?—A. Always.

Q. Now, then, we have had evidence from witnesses that a considerable portion of the orders and directions are not accompanied by any fixing of prices at the time. That is correct, is it?—A. Yes.

Q. That is in accordance with the system which has prevailed at the office?—A. It is.

Q. How long has that system prevailed?—A. Ever since I have been there.

Q. And that is how long?—A. I have been in the Marine and Fisheries Department since 1888.

Q. Since 1888?—A. Yes.

Q. Well, you have been a long time here?—A. I have been in the service 30 years, but not in that department.

Q. So you have been in this department since 1888?—A. I have.

Q. Do you mean the same system has been pursued during the whole of that time?—A. Yes.

Q. Getting a little easier now and then?—A. I do not quite understand the question.

Q. Don't you?—A. What do you mean, getting a little easier?

Q. Just exactly what I ask you?—A. Do you mean the work is getting easier?

Q. No. Orders and directions getting easier, prices a little easier?—A. Oh, prices. No, I think the prices are getting rather higher.

Q. Easier I mean for the vendor?—A. Oh, I was looking at it from the department's standpoint.

Q. That is right?—A. Certainly, the prices all over Canada have gone up materially, that is what I was referring to.

Q. Of course, you did not have in mind anything else?—A. Certainly not.

Q. Then Mr. Parsons says that it is part of your duty to be familiar with prices of work and material and goods from time to time, and part of your duty to check and determine the accuracy of accounts. Is that correct?—A. For a number of years it was part of my duty to check accounts. For some three or four years past I do not myself check bills, that is to say, I do not check—

Q. Well?—A. I will give you an explanation. I do not check all the calculations, but before I certify—since Mr. Parsons has been ill I have been certifying all the accounts that go to Ottawa.

Q. How long has that been?—A. Two or three years, sometime in 1906, I think.

Q. Sometime in 1906?—A. Yes.

Q. Then have you assumed the whole responsibility with regard to the certification of accounts since that time?—A. So far as I am able.

Q. So far as you are able. And Mr. Parsons has not done it at all?—A. Not for the past two or three years.

Q. But we find his name to the accounts?—A. Not in the past two or three years, I think.

Q. It may be by initials?—A. Possibly, very occasionally the pay lists; otherwise I do not think he has seen any of the bills unless there is some question.

Q. So practically you have been acting agent here for the last two or three years?—A. No, sir, I have not.

Q. Well, you have assumed that duty you have spoken of?—A. That is a very different thing from acting agent. That is only one small branch of the service, certifying to the accounts; I have no other responsibility.

Q. Well, now, be a little bit shorter, please, Mr. Tremaine, will you? Now, were you present at the interviews when the deputy minister was here and Mr. Spain?—A. I was present at one interview.

Q. At the interview?—A. Yes.

Q. That is the interview to which Mr. Parsons made reference?—A. I was present at the interview.

Q. Will you just tell what took place at the interview?—A. What Mr. Parsons stated is correct.

Q. Will you tell it, please?—A. We will have to be at Ottawa after this.

*By Hon. Mr. Cassels:*

Q. Was 'let it rip' mentioned at the interview?—A. I do not think any let—

Q. Was that a literal rendering of the interview?—A. I could not declare to that sentence.

*By Mr. Watson:*

Q. Just tell me, please. You will easily understand we want your evidence?—A. You ask me to make a statement, that is the reason I was going—

Q. What took place on that occasion?—A. The department had made a protest from Ottawa at the expense of the provisioning of the ship. We informed the department both by letter and on this occasion it was impossible to keep the expenses down if we had not the control of the supplies. For a number of years we had that control, but the captain of the ship was given a more free hand as to what he was allowed to order. We had tried here—

Q. You see, I asked you what took place at the interview. I do not want to go back fourteen years. I am speaking of the interview?—A. That is what we stated, we had not control of the supplies that were purchased.

Q. That is what you told Colonel Gourdeau and Commander Spain?—A. Yes. He told us to give them more latitude—I am not prepared to state at this late date the exact words he used—but that was the impression left on both Mr. Parsons' mind and mine, that we were not to cut out certain things.

Q. Mr. Parsons said that Mr. Deputy used the expression at that time of 'let it rip'?—A. I am not prepared to say that, sir, I have no recollection of that expression.

Q. I see. Was it to that effect, does that describe it?—A. It was to the effect I stated before.

Q. What?—A. That we were to give them more latitude because—

Q. Listen. You had been complaining up to that time that the latitude was too great?—A. We were.

Q. And then you were told you were to give them more latitude?—A. Yes.

Q. Widen it up?—A. Yes.

Q. I see. And what did you say, if anything, at that time?—A. We accepted our instructions.

Q. What did you say?—A. We protested.

Q. What did you say?—A. We said that we were in the habit of cutting out such things as I, for instance, and Mr. Parsons could not afford to purchase in our own houses. We thought what was good enough for us should be good enough for the officers of the ship; we could not get certain things out of season.

Q. Well?—A. That is what was said, that is what the deputy minister told me, we were not to consider our own—that the captains of the ships and the officers were to be allowed better things than we could afford to buy for ourselves.

Q. So that is what you said when the deputy said more latitude was to be given?—A. Exactly.

Q. Did either of you say in his presence that it was wrong to do so in your opinion?—A. We stated we thought what was good enough for us was good enough for them. That is the same thing I presume.

Q. That is the way you put it. What did Commander Spain say, if anything?—A. He said to the same effect.

Q. As Mr. Gourdeau?—A. Exactly.

Q. Then was that a matter that you communicated afterwards to the minister?—  
A. On several occasions.

Q. Did you communicate with the minister after that?—A. That conversation?  
Q. Yes.—A. No, I did not.

Q. Was it to your knowledge ever made known to the minister, what occurred between you and the deputy?—A. Ever afterwards when that question of prices—

Q. Listen. After that interview was the subject of that interview communicated to the minister?—A. I am stating to you that when they questioned us afterwards about prices we stated the reason was because we had been instructed by the deputy minister and Commander Spain that we were not to cut down certain things.

*By Hon. Mr. Cassels:*

Q. How long ago?—A. I could not tell without the files. It is all a matter of record.

Q. Is that in the Public Accounts Committee?—A. I do not know about the Public Accounts Committee. It is all on our files.

*By Mr. Watson:*

Q. You wrote to the deputy minister?—A. Yes.

Q. That is not the point. I asked you a specific question, if you will kindly answer it. Did you ever make a communication directly to the minister?—A. Never in my life, we never communicate with the minister.

Q. You never did?—A. No. Our means of communication—

Q. Wait. You have answered the question, if you please. Then notwithstanding the condition of affairs, as you have described it at the interview, you did not think it necessary to communicate with the minister?—A. No.

Q. And you did not do so?—A. No.

Q. Then did you communicate that condition of affairs with any one else here?—A. Certainly not.

Q. Then you say that after that time you were affected by what occurred in your attempt to regulate prices?—A. Certainly.

Q. I see. So that after that time prices were less questioned and less regulated than before?—A. I was not referring to prices, Mr. Watson.

Q. I asked you about prices.—A. Well, I misunderstood your remark. It was with regard to luxuries and quality of food, it was not prices at all, the question of prices did not come up.

Q. Yes. You have heard the evidence, or some of the evidence, that has been adduced here?—A. I have.

Q. For instance, you heard the evidence of Mr. Robertson?—A. I did.

Q. A well known gentleman of the city, a business man. Were you aware that prices in regard to matters that were not the subject of contract were being charged that were ten per cent on an average in excess of ordinary retail prices?—A. I was not, and am not aware of it now.

Q. You are not aware of it now, I see. Then does it occur to you that you are not very familiar with the current prices?—A. No, such is the case, I am not familiar.

Q. You are not familiar with current prices. Was there any one in the office who was more familiar than yourself with the current prices?—A. I think Mr. Mitchell probably at the present time.

Q. What about Mr. Parsons?—A. I do not know.

Q. You do not know?—A. I do not know whether he keeps himself posted or not.

Q. You do not know whether he keeps himself posted or not?—A. It is Mr. Mitchell's duty to do that, and he did it.

Q. I did not ask you that. How long has Mr. Mitchell been in the office?—A. Since 1897, I think.

Q. And it has been his duty since that time?—A. No.

Q. Eh?—A. Not ever since then.

Q. When did it become his duty?—A. About four years ago, in that neighbourhood, four or five years ago, somewhere in that neighbourhood.

Q. Mr. Mitchell is a young gentleman of about 25 or 26?—A. I do not know his age. I suppose he is nearer 30.

Q. Nearer 30 at the present time?—A. I should think so, I am not positive.

Q. I see. Then it is the duty of any one else to be familiar with the prices?—A. It is the duty of the technical officers to be aware of the prices for the work and machinery.

Q. That is Mr. Schmidt and Mr. McConkey?—A. Yes. When—

Q. Now then, have you a record in your books as to what comes into the dock-yard?—A. In the storekeepers office.

Q. In the storekeeper's office. Do you keep that in the agent's office or is that left entirely with the storekeeper?—A. Yes.

Q. Entirely with the storekeeper?—A. That is the system.

Q. Then you have no check upon that?—A. No.

Q. Have you any record in your office of what goes out or has the storekeeper?—A. The same record.

Q. The one he keeps?—A. On both sides of the book.

Q. That he keeps?—A. That is kept in his office.

Q. Not kept by him?—A. I think not.

Q. Who keeps that?—A. I think either Mr. Borgyle, his assistant, or Mr. Short.

*By Hon. Mr. Cassels:*

Q. Are they under the direction of the storekeeper?—A. Yes. I would like to state, my lord, there has been a recent system inaugurated. Previous to that—

*By Mr. Watson:*

Q. We know all about that, you know.—A. That is what I was referring to.

Q. Now, there is no check upon that by the chief agent?—A. You mean he himself does not make any check?

Q. Yes.—A. I do not know.

Q. Do you make any check upon it?—A. Occasionally.

Q. How often, once a year?—A. Oh, yes, a little oftener than that.

Q. A little oftener than that?—A. Once every two or three months, perhaps, whenever I can get down to it.

Q. Then what is the work that has to be done down there in the yard, just taking in the supplies and delivering the supplies?—A. That is part of it.

Q. Is there anything else than that?—A. A great deal.

Q. What is it?—A. Do you mean in regard to supplies or in regard to the work of the agency.

Q. In the dockyard what is the work to be done except taking in goods and delivering out?—A. Repairs to the buildings.

Q. Repairs to the buildings?—A. Yes, that is part of the work in the dockyard.

Q. They do not require repairs every day, do they?—A. I did not say every day, but they require repairs, and it comes into the daily work.

Q. How many buildings are there?—A. Roughly speaking 30 or 40.

Q. Well, let us take it, receiving goods and delivering goods and repairing buildings. What else is there to do in the dockyard?—A. There is the blacksmith's work, making repairs to the buoys and to the chains. The boat-builders in building boats.

Q. Hold on now. Blacksmiths?—A. Yes.

Q. That is to say, there are four or five men in the blacksmith's shop?—A. Yes.

Q. That is all?—A. Yes.

Q. Are you building boats there?—A. Yes.

Q. All the time?—A. Pretty nearly.

Q. How many boats have you built in the last two years?—A. I am afraid I could not answer that question.

Q. Two or three?—A. A great many more than that; and repairs as well.

Q. What kind of boats?—A. Surf boats carrying cargoes, and sometimes for the lighthouse keeper's use.

Q. They are small boats?—A. Yes.

Q. Do you mean you make your own boats?—A. As far as we can with the staff.

Q. But do you know what expenditure has been for the purchase of boats during the last two or three years?—A. I could not say without the books.

Q. That expenditure is not consistent on its face with much boat building in the yard?—A. Boat building and repairing.

Q. Oh, you get to repairs. I thought the repairs we had here?—A. That is steamers; I am speaking of the boats.

Q. Then how does the repairing of the little boats compare with the repairing of the steamers, about the same proportion?—A. No. The repairing of the cargo surf boats is a very small item in comparison with the repairs to an iron ship.

Q. In comparison do they cost as much?

Hon. Mr. CASSELS.—They are small sail boats, row boats.

Mr. WATSON.—They are trifling.

Hon. Mr. CASSELS.—That is what Mr. Tremaine is speaking of.

WITNESS.—They carry the supplies from the steamer to the lighthouses and so on.

*By Mr. Watson:*

Q. What is the next element, does that element exhaust it?—A. No, there is the handling of gas buoys.

Q. That is for the purpose of delivering them. What else is there?—A. It is charging them with carbide and repairing them at all times; small repairs, keeping the lamps and lanterns in good repair.

Q. What else, that is about all?—A. I suppose. Of course, it does not sound very much, but it entails a great deal of work.

*By Hon. Mr. Cassels:*

Q. That part of the work, looking after the buoys, would not be done in the yards here?—A. Some small portion with regard to the carbide work and keeping the lamps and lanterns on the gas buoys in repair and in order.

*By Mr. Watson:*

Q. Then I see the expenditure for wages in this department, according to the report of Mr. Faulkner, amounts to about \$14,000 or \$15,000 a month. Is that about correct?—A. I should imagine so.

Q. That is for wages, about \$15,000 a month?—A. We have some 150 or over 200 light keepers around the province which are included in that.

Q. Quite so?—A. The masters and crew of the ships.

Q. Yes. Having heard the evidence more or less—I suppose you have been here most of the time?—A. Not most; I have been here a portion of the time.

Q. Having heard the evidence which has been adduced here by many of the witnesses as to the prices charged, I would like to have your statement as to whether or not you had any knowledge on any occasion that the prices were excessive? Yes, or no, if you please?—A. I have had knowledge come to me, I have seen bills excessive and have had them cut down constantly.

Q. But the evidence refers to prices charged and paid, that is what the evidence refers to. Have you any knowledge of excessive prices being paid to any one for work, material, labour, supplies?—A. I have not.

Q. You have not. And yet it is reasonably manifest, is it not, to you now that excessive prices have been charged and paid?—A. No.

Q. No, not manifest to you?—A. No.

Q. So that matters would proceed from to-day with you as they have heretofore proceeded?—A. Exactly.

Q. Exactly. So that is the position you take on the stand here?—A. Yes. So far as I know the prices—

Q. You have answered the question.

*By Hon. Mr. Cassels:*

Q. Subject to the new orders which were given this year?—A. To any orders which are given, of course.

Q. The system has been changed, as I understand?—A. That has nothing to do with the prices, my lord.

Q. I understand that?—A. That is what he is referring to.

*By Mr. Watson:*

Q. You had those in mind, yes. Now, apart from what has been furnished to the ships, has it come to your knowledge directly or indirectly that excessive quantities were being purchased?—A. No, never.

Q. What?—A. Never.

Q. Never?—A. Never.

Q. Never heard of it except in regard to supplies to ships?—A. I never heard of it in any case that excessive supplies—we considered some things extravagant, but never excessive.

Q. Never excessive?—A. Except in that way, in the way of what we considered were luxuries.

Q. I see?—A. Not excessive.

Q. Do you certify to those accounts?—A. Some of them I do.

Q. For instance, this account of Mr. Silvers, did you certify to that?—A. The account that was under discussion here?

Q. Yes?—A. I think I did.

Q. I think so, your name is there. There it was a case of articles purchased altogether out of keeping with the boat?—A. I think so.

Q. Brussels carpet at \$2.50 a yard, table cloths at \$15.00 each. How did you come to certify to an account of that kind?—A. I think the records will show the reason I did. They were authorized by the department, not by me.

Q. I do not find it of record?—A. I think so. You read it in court yesterday or the day before that the order came from the department.

Q. Listen, please. I read this letter from the Deputy Minister referring to these items and stating that these things were ridiculous, ‘and that I am to inform you that if such expenditures are again incurred without the sanction of the department, both you and the captain will be held personally responsible.’ Do you recollect receiving a letter such as that?—A. And I desire, will you kindly read my reply to that letter.

Q. If I have it?—A. You read it the other day.

Q. Yes, here it is, May 21. Just look at it again. ‘Referring to yours of the 16th inst., I beg to return them herewith and to explain that we were as much annoyed as either the Minister or yourself, and on receipt of the bills tried to arrange to return the goods which had been selected by the steward without consulting the captain. We found, however, that the carpet was in use and the table cloths had the fringe cut off one end of each in order to make them into one large cloth for the saloon table. Mr. Silver would not take them back. We censured the steward and will take good care nothing like it occurs again. There is no doubt the articles are worth the price charged, but, as you say, they are out of keeping with the boat.’ Now then—A. Continue, sir.

Q. ‘The goods were only ordered on the strength of your letter of the 23rd November last, stating the Minister, you and Captain Spain found things on board in an unsatisfactory condition and that Captain Johnston had been instructed to write to Commander Spain resulting in your inclosed list.’ Now then, you say here in your letter you were as much annoyed as either the Minister or the Deputy?—A. Yes, sir.

Q. But notwithstanding that you had previous to the letter written by the deputy certified the account?—A. I had, sir, certified that the prices were fair and just.

Q. That is right, certified the prices were fair and just, I see. And at the time

you certified the prices were fair and just did you then have in your mind that it was ridiculous to purchase such goods at such prices?—A. I would not use quite such a strong word as ridiculous.

Q. You say here: 'We are as much annoyed as either the minister or yourself'?—A. Yes, I was annoyed.

Q. Of course, this strong language would not occur to you, perhaps, Mr. Tremaine, but at the same time it was about the same idea you had in your mind?—A. Yes, I thought they were too expensive.

Q. And when you signed that certificate in connection with it did you make a memorandum for the department of what your views were?—A. No, sir.

Q. You did not, but you sent forward the certificate as the usual regular certificate in regular transactions?—A. That the prices were fair and just.

Q. In regular transactions?—A. That the prices were fair and just.

Q. Yes. And at the same time you had in mind that it was not a regular transaction?—A. No, sir, I could not say that.

Hon. Mr. CASSELS.—He does not say that, Mr. Watson. What he says is they were purchasing on a scale of luxury far and away beyond what they ought to do; he was dissenting to that purchase; but the prices were fair.

Mr. WATSON.—All right.

Q. Well, take this of July 26, 1908, a memo. for the deputy minister, 'I am attaching the account rendered by the agent at Halifax for kitchen supplies for the Aberdeen. Who were they purchased from?—A. I could not tell you.

Q. And here it is stated, 'It would appear that supplies are purchased'—that is, kitchen supplies—'without any rhyme or reason and in wholesale lots.' What do you say as to that?—A. I think it is quite possible. That is to say, as to wholesale, not without rhyme or reason; I am objecting to that.

Q. You are objecting to that?—A. When I see the bills. I cannot object without seeing the bills and knowing what they refer to.

Q. Did you certify to all these?—A. I cannot say without seeing the bills.

Q. They were certified in the office?—A. I presume so.

Q. For instance, you see the order, there is an item for two block tin boilers at \$7.50 each. What do you think about that? You are familiar with wholesale prices?—A. I think the price was quite in keeping with the articles. We submitted that to others and found they were.

Q. To others. Whom did you submit them to?—A. I cannot tell you at the present time, but when the matter was brought up.

Q. Well?—A. Our files will show.

Q. Whom did you consult in the city about prices?—A. Various merchants and dealers.

Q. Can you give me the name of any one you have consulted as to prices?—A. Many of them.

Q. Let me have one in respect to particular goods?—A. I have consulted with Mr. Davidson with regard—

Q. Mr. who?—A. Mr. Davidson, John Davidson & Son, with regard to the prices of another merchant; Mr. MacInnis in the same way constantly.

Q. But you were getting goods from the same gentlemen in the city?—A. Possibly.

Q. Possibly, I see. And then would you consult Mr. MacInnis as to the goods you got from Mr. Davidson?—A. I might.

Q. And consult Mr. Davidson as to the price of goods you got from Mr. MacInnis the same day?—A. No.

Q. Within a few days afterwards?—A. Somewhere in that neighbourhood with regard to the prices of certain goods and other merchants in the same way. I only instance those of course.

Q. Now then, there is this statement further—there are a lot of other items in detail, but we perhaps need not take up time going over them:—'I wish on your trip

to Halifax you would ascertain if the steward has full liberty to purchase all that he requires without any requisition from the agent and if the agent certifies any accounts that are given to him by the steward or officers of the ship. Some steps should be taken to curtail the supplying of these vessels, as it appears to be growing every year.' This is July 26, 1906. This was not news to you, was it?—A. That is not news to me, the service is growing, no.

Q. And the supplying of the vessels was growing every year?—A. Certainly. Things wear out and have to be replaced.

Q. That was a year before?—A. Yes.

Q. I do not see much of the increase?—A. The ships were older.

Q. I am talking of the supplies?—A. That is the same thing.

Q. Listen. Do utensils wear out more one year than another usually?—A. No, not necessarily.

Q. That is what I was speaking directly about. Well now, did you certify to accounts given to you by the steward?—A. No accounts were given to me by the steward.

Q. Accounts that came into the office for goods ordered by the steward?—A. The steward never orders any goods.

Q. Never orders any?—A. No; he selects them.

Q. Did the officer of the ship order any goods?—A. No, the orders were all given from the office.

Q. They would come to you and inform you what they required?—A. To me or some one in the office.

Q. And they would give the order in pursuance of the request?—A. If we considered it was necessary.

Q. How did you learn it was necessary in any other way than from what they said?—A. Any other way than what?

Q. From what they said?—A. Certainly.

Q. How?—A. I would ascertain by going on board the ship sometimes and finding out if the things were necessary.

Q. Then I see your attention was also called in 1907 to an excessive charge by William Robertson & Son?—A. For what?

Q. Sunlight soap. Did that have the effect of opening your eyes any?—A. I do not remember that.

Hon. Mr. CASSELS.—We will adjourn till a quarter after two.

(Adjourned at 1 p.m. to 2.15 p.m.)

2.30 p.m.

Examination of Mr. A DeB. TREMAINE resumed.

*By Mr. Watson:*

Q. With further regard for a moment to the interview with the Deputy Minister and Commander Spain that was referred to this morning can you say whether or not that was before or after the 7th October, 1905?—A. No sir, not from memory.

Q. You cannot say. Would you be inclined to think it was before? You see, that would be three years ago?—A. The 7th October, 1905?

Q. That is a little more than three years ago. Would it be about that time?—A. I should imagine it would be somewhere in that neighbourhood.

Q. Somewhere in that neighbourhood?—A. I should think so.

Q. Then you have already told us, I think, that more latitude was then to be given and that everything so to speak, was a little wider open than had been before in those matters?—A. As regarding luxuries?

Q. Yes.—A. Or what we called luxuries.

Q. I find here in the record a letter of 7th October, 1905, directed to Mr. Parsons

as agent to this effect:—‘ Referring to my letter of the 19th of August last, in which you are instructed to have the repairs carried out this year under the direction of the Resident Engineer, I would request you to have all accounts for building material and labour to be paid out of construction vote certified by Mr. Legere.’ Signed by the Deputy Minister.—A. Pardon me. The first part of that again?

Q. ‘ Referring to my letter of the 19th August last in which you are instructed to have the repairs’—A. Repairs, yes.

Q. Oh yes.—A. Not to the ships.

Q. ‘ All accounts for building material and labour’—A. That has no reference to ships.

Q. Of course, I have just read it.—A. Yes.

Q. And I find a similar letter of the same date written to Mr. Legere, the resident engineer. Now, we have looked over these accounts, we think with reasonable care, and we do not find that these accounts were afterwards certified as a rule by Mr. Legere, the resident engineer. How do you account for that?—A. All accounts having to do with construction are certified, have been certified by the resident engineer, Mr. Legere, before they went to Ottawa.

Q. You think so?—A. I am sure of it.

Q. Then it may be our mistake, but we will have to see about that. At all events, these were the instructions given?—A. Yes, sir.

Q. And I understand from you now that you endeavoured to observe these instructions?—A. We did observe them.

Q. You say you did?—A. I say I did.

Q. You say you did?—A. I say we did, the office did.

Q. Oh, the office did?—A. Yes.

Q. So your form of answer indicates that you take personal responsibility in these matters?—A. Those that I certified, yes.

Q. Yes. But you say ‘ we ’ did. You are speaking with regard to all the work, all the material affecting repairs?—A. All the bills going through my hands.

Q. All the bills going through your hands?—A. All the bills that go through my hands.

Q. Well, do they all go through your hands?—A. All that are paid from here, yes.

Q. All that are paid from here do?—A. Yes, sir.

Q. So that you take your full measure of responsibility in regard to all construction work and to all repairs?—A. I do not take any responsibility.

Q. I mean to say as to the accuracy, the correctness of the accounts?—A. After they are certified by the resident engineer.

Q. Oh, yes, after they are certified by the—A. Resident engineer.

Q. And the others. That is the position, is it?—A. Yes, sir.

Q. And do we understand you now to say that as far as your judgment leads you the expenditure upon construction work and for repairs has not only been necessary and proper, but at correct prices?—A. Correct prices. I have nothing to do with the other part of it.

Q. You have nothing to do with the other part of it?—A. No.

Q. I see.—A. Mr. Legere is responsible to the department, not to us.

Q. We have the record here?—A. Yes. It makes a little difference.

Q. Mr. Legere is a member of this staff, the staff in this agency?—A. No, sir.

Q. I find his name on the list of officers of this department of this branch?—A. He has an office here. He is not responsible to the agent, he is responsible to the Deputy Minister, to the chief engineer; he does not report to us.

Q. Yes. But he appears in the list that you have given to us of officers here?—A. If you will look at the list closely you will see three officers there I specially mention.

Q. Yes, I have it here before me, thank you.—A. Very well.

Q. You have given a list here of the office staff and the officials of this department, and included in this list is L. A. Legere, resident engineer?—A. Yes.

Q. That is all right, it is not?—A. That is right. There (pointing to list.)

Q. You have written here at the end of this, 'Messrs. Schmidt, McConkey and Legere report direct to Ottawa and are responsible to Ottawa, not to us.' You think that covers the whole ground, do you?—A. I think so, sir.

Q. You think that covers the whole ground? Then coming back to the matter of system, if that was so, why would the Deputy Minister direct the agent to see to it, as agent, that the accounts are certified to him, the agent, by Mr. Legere?—A. I am not the agent, my lord.

Q. I see, that is your answer, that you are not the agent. Is it not the fact that for the last 8 or 9 years you have practically been the acting agent here?—A. No, sir.

Q. In the assuming of responsibility and the performance of the work?—A. I have done all I could to perform the work.

Q. In a word, please—A. No, sir.

Q. Is that not the fact?—A. No, sir.

Q. Would our information be correct that you had previously so stated, would any information to us that you had previously so stated be correct?—A. I do not know what information you may have got.

Q. I did not ask you what information. I say if we received information to that effect would it be incorrect?—A. That is—

Q. That is information you had so stated, would that be incorrect?—A. That I was responsible?

Q. No. That you had been obliged practically to assume the duties of the office here for the last 7 or 8 years?—A. Of the office, yes.

Q. That would be correct?—A. Yes, sir.

Q. And was that known to the Deputy Minister?—A. I have some recollection of writing some such letter to the Deputy Minister.

Q. I see. About how many years ago was that?—A. I could not tell you from memory.

Q. Six or seven?—A. I am not prepared to say.

Q. Was it an official letter or a personal one, do you recollect?—A. I do not know that I can answer that question.

Q. You cannot answer, I see. Then tell me this, if you please: would our information be correct that you have also stated that it was not possible practically and properly to administer the affairs of this agency by reason of the intervention of the members of this city?—A. It would not be correct, sir.

Q. It would not?—A. Be correct. I never made any such statement.

Q. That would not be correct?—A. That I am aware of. I have no recollection of having made any such statement.

Q. Not that you are aware of. Then let me say logically and properly what should follow, assuming that statement was made, or without assuming that statement was made, is there foundation in fact for such a statement now?—A. Not such a sweeping statement as that.

Q. Not such a sweeping statement. I see. Then how would you yourself put it?—A. I would put it something in this shape: we have a patronage list supplied to us from which we are to order goods and work done from time to time. We try to keep that, to deal with the people whom we consider will do the best work at the most reasonable prices. From time to time we get special instructions that special work is to be given to special people.

Q. From whom do you get those instructions?—A. From the members. It is a matter of record on our files, sir.

Q. Yes. That is your answer?—A. That is my answer.

*By Hon. Mr. Cassels:*

Q. Do you obey their instructions?—A. Certainly, sir, we are—

*By Mr. Watson:*

Q. You obey the instructions?—A. We do so from the department.

*By Hon. Mr. Cassels:*

Q. You get special instructions and you obey them; that is all there is to it. It just means the members are running the whole show. I suppose if you did not do it you would lose your berth?—A. I would not like to say that.

Q. That is the reason I say it.

*By Mr. Watson:*

Q. Do you recollect certifying to an account of Mr. Wooten's in which there was a charge of 50 days at \$4 a day for supervising repairs, which apart from that amounted to \$674?—A. I could not say to-day whether I certified the bill. I remember the bill quite distinctly.

Q. You remember the bill. And did you approve of that bill?—A. I could not say without seeing the bill. Yes, it went through me.

Q. That is, it passed you?—A. Yes, sir, on a certificate of the officer who is responsible for the work and the time.

Q. I see. That is, it passed you, you relying upon Mr. Schmidt or some other—  
A. Responsible officer.

Q. Do you recollect the circumstances that in connection with an account of Mr. Dunn the expenditure was incurred without any authority?—A. I cannot answer that question yes or no, sir.

Q. You cannot?—A. No. I can give an explanation of it if you desire it.

Q. You cannot answer it, yes or no. You are aware that afterwards it was challenged?—A. It was.

Q. On that ground?—A. It was.

Q. Can you tell whether as a fact there was any authority for incurring that expenditure outside of this office?—A. There was implied authority.

Q. I see, you took it as implied authority?—A. We did.

Q. Then do I understand from your answer it was a matter somewhat of mis-understanding or misapprehension?—A. I would like to make a little explanation.

Q. Say it?—A. The steamer was laid up for repairs and she was opened up for the work to be done. A report had been sent by the agent to the department at Ottawa, among other things stating the electrical fittings that were required and an estimate of what the work would cost. We received no reply to that telegram, but the work was in hand, the steamer was laid by, and something had to be done, and the work went on. That was practically the situation.

Q. That was practically it. Then how do you reconcile that with the previous letter received from the department that no expenditure exceeding in cost \$50 was to be incurred without the authority of the head office, because I have that here upon record; how do you reconcile the position?—A. Repairs were authorized at that time to the ship, certain reparis were authorized, and it was in the course of that being done that this electrical work came in which took more than the authorized repairs as a consequence.

Q. Took more?—A. Cost more.

Q. Then it is a case of exceeding authority, you think, with some justification?—A. Decidedly so.

Q. That is the position, is it? Then, that may be a matter of controversy, a controversial matter?—A. It has been.

Q. And it has remained so, and the amount has not been paid. Has the excessive amount been paid—oh, it was paid?—A. Yes.

Q. That is, it was certified to by you and afterwards paid?—A. I don't know, I certified the bill.

Q. Well, invoice?—A. Yes.

Q. Of course, you said that practically things rested with you?—A. No, sir, I did not say that.

Q. Well, whatever the record says is there. Then do you recollect an expenditure incurred through Mr. McPherson, Mr. David McPherson?—A. Many.

Q. Many, I see one particular item referred to from the head office, an account of Mr. McPherson for repairs to the *Lady Laurier* amounting to \$1,228, and this says: 'By referring to a letter of the department, dated October 26, 1906, it will be found that the repairs which this account covers were authorized at a cost not to exceed in all \$500.' Then you are challenged as for the excess?—A. Was not there a reply to that on the file?

Q. I will just see. Yes, there is, and I will refer to it. Meantime, let me ask you this: was that a matter of exercising discretion notwithstanding the direction?—A. I do not think that I had anything, that I certified that bill.

Q. Who had to do with it?—A. I could not tell from memory.

Q. I see that you were challenged about it, that a letter was written afterwards on April 8 referring to it, saying amongst other things: 'I beg to state I find the letter in question only authorized a portion of the work performed at the time, all of which, however, was necessary, as explained in the report from the ship's mechanic—'? A. Ship's husband.

Q. Ship's husband; it should be mechanic. Then it says, 'When the boilers were overhauled the ceiling or lining was found to be in such a bad state that it was necessary to have it renewed, as it could not be replaced. This latter part should certainly have been reported upon at the time, and I was under the impression it had been, but Mr. McConkey informed me it had not. The work was necessary and the charges are not excessive for the work. I return the account herewith. (Signed.) J. Parsons.' Did you write that?—A. I do not remember.

Q. You do not remember whether you did or not. As a matter of fact, I suppose you wrote most of the letters or practically all of them?—A. No, sir.

Q. Most of them?—A. Letters signed by Mr. Parsons are either written or dictated by himself.

Q. By himself, I see?—A. That reference, my lord, to Mr. McConkey, we did not know what he reported to the department, we did not at that time, but since then a copy of his report is put on our files; at that time he did not report to us at all.

Q. That is the position with regard to that, you say. Now, Mr. Tremaine, what have you to say in regard to your certificates in view of the evidence of a witness working at repairs, that class of work, such as a representative of Mr. Howell's referred to, where he spoke of the very considerable profits that are made and the making the good times cover the bad?—A. I have only to say that those bills are certified by officers appointed in the department to look after that work.

Q. That is all you can say about it?—A. That is all I can say about it.

Q. And following upon that you also certified?—A. Because they have to go through our books.

Q. That is practically a useless system, so far as you are concerned?

*By Hon. Mr. Cassels:*

Q. So far as the certificate is concerned?—A. It is the system of the department. I am not responsible for that.

Q. He simply certifies according to the report that these prices are fair?—A. That is all.

Mr. WATSON.—I see, that is the position. Now, I see another memorandum in

regard to work done by Messrs. Ferguson & Cox amounting to \$4,244 in connection with a new hoist for the *Lady Laurier*, and it was said this hoist had wholly failed to perform the work for which it was intended. The expenditure was therefore a useless expenditure.

Q. Do you know anything about that?—A. I think that was a report from Mr. Schmidt or Mr. McConkey to the department, not to us.

Q. I am asking do you know anything about it?—A. Well, I saw a copy of the letter.

Q. You just saw that, that is all. That apparently was a mistake entailing that amount of expenditure. Now, is it not the fact more or less to your knowledge that that kind of expenditure turning out not to be useful or required has been incurred from time to time for years past in this agency?—A. I suppose it is.

Q. You suppose it is. I see?—A. I presume all are liable to make mistakes.

Q. Yes. Now, then, let me just ask you one further question, if you please, pertinent to the commission as I understand it. In the course of the performance of your duties for some years past, how many masters have you been serving?—A. In this agency?

Q. Yes?—A. Two.

Q. Two. Who are the masters?—A. Mr. H. W. Johnston, the previous agent, and Mr. Parsons, the present agent.

Q. Is that the only answer you can give after a little reflection and having in mind your previous answers?—A. That is my only answer, sir.

Q. That is your only answer. And have you in mind now at this moment the evidence that you have already given here before his lordship?—A. I have.

Q. You have, I see?—A. I take my instructions from the agent.

Q. And then do you think there is any want of appreciation on your part in that matter—perhaps you need not answer that, I will not press it. That will do.

*By Hon. Mr. Cassels:*

Q. Mr. Tremaine, I want to ask you a question or two. Was it known to the authorities in Ottawa that the members were practically running the Marine Department in Halifax so far as appointments were concerned, and the placing of contracts?—A. Not the placing of contracts, my lord.

Q. So far as the appointments were concerned was it known to the department in Ottawa?—A. Oh, yes.

Q. How do you show that?—A. The correspondence will show it.

Q. Have you a copy of the correspondence?—A. No, my lord.

Q. You said you would bring me up a copy of a letter. I have forgotten what it was, now?—A. I can bring the patronage file.

Q. It is not the patronage file. You had a letter which was missing from the file Mr. Watson produced?—A. With reference to the *Hestia* this morning?

Q. Yes?—A. I have that letter now.

Q. You say?—A. That had nothing to do with the members.

Q. I understand that. So far as the appointments were concerned the members were running the whole show in the Marine Department. That, of course, is ended now, the members do not run it now?—A. I do not know, sir.

Q. You say, so far as the placing of contracts was concerned the members did not really?—A. They had nothing to do with whatever. Where there were contracts we got instructions from Ottawa.

Q. I do not mean written contracts. I mean orders and so on?—A. I did not consider them contracts, my lord.

Q. Then where there were orders was it known in Ottawa that when a merchant here wanted an order he would go to the members and get the members to place it directly in his hands?—A. Many of them came from the department.

Q. All that appears in the correspondence?—A. Yes, my lord.

By Mr. Watson:

Q. Wait a moment. Was that known to the deputy minister?—A. I presume so, yes.

Q. Have you any knowledge whether or not it was known to the minister?—A. To the minister?

Q. Yes?—A. No, I could not answer that question.

Q. Do you know whether it was known to any one else than the deputy minister?—A. I could not answer that question.

Mr. WATSON.—I find, my lord, there is just one other matter I want to speak about. I had passed it for the moment.

Q. My learned friend and I are informed that during a considerable part of the time, some years more or less, there have been five yachts having the use of the departmental docks here. Is that right?—A. I have seen some, not yachts, at least you might call them motor boats or something of that sort in the docks.

Q. And our information is they are Mr. Henry's?—A. I do not know to whom they belonged.

Q. But you apparently identify it quite readily?—A. No, I don't know to whom they belonged. I have seen some motor boats there which were not the property of the department, to whom they belonged, I don't know.

Q. Not to whom any of them belonged?—A. I think that—

Q. One of them, it is said, belonged to Mr. Parsons, junior?—A. I am not aware of that.

Q. You are not aware of that?—A. No.

Q. Where is the residence of Mr. Parsons, in the dockyard?—A. In the dockyard.

Q. Right near the wharf?—A. Between the offices and the gate.

Q. Yes. Any other residences there of officials?—A. Thirteen, I think, altogether, that is covering the messengers and watchmen and so on.

Q. Those residences, of course, are free residences?—A. They do not pay any rent.

Q. That is it, they do not pay any rent. Have you any knowledge?—A. Of what?

Q. Of the men, the employees doing work upon any of those yachts?—A. None whatever.

Q. Eh?—A. None whatever.

Q. Have you ever heard of that?—A. Never.

Q. Never have?—A. Never.

Q. Never have heard of it?—A. Never.

Q. Two or three dock hands or dock men, or rather employees in the yard, have made some references?—A. I explained, my lord—

Q. Have you any personal knowledge of it?—A. I have not. I explained, my lord, that my duties are in the office.

Q. I know your duties are in the office?—A. My time is fully taken up there from 9 o'clock in the morning to 6 o'clock at night, and I have nothing to do with the outside.

Q. But you have large responsibilities there. So you do not seek to inform yourself of what is going on outside the office?—A. No.

Q. That is the position, is it?—A. That is the position.

Q. I see, you do not assume or take any responsibility for anything that occurs outside of your own office?—A. I do not.

Q. There is a system there of keeping the gates locked, I believe?—A. At night.

Q. At night. Oh, that is only at night, is it?—A. They are open all day.

Q. So that any one may come in and go out as he pleases?—A. Watchmen are there; there is a day watchman and a night watchman.

Q. Yes, the day watchman and the night watchman are there. And the storerooms are all there and sometimes you have in the storerooms supplies and goods to the value of \$25,000 to \$30,000?—A. Yes.

Q. Perhaps \$50,000?—A. Yes.

Q. Perhaps \$100,000?—A. I dare say we have at times.

Q. You dare say you have at times, goods to the value of \$100,000. Consisting of all classes of goods that may be required by steamships and lighthouses?—A. Yes, including the buoys I am sure there is much more than that.

Q. Yes, leaving out the buoys. That will do.

JONATHAN PARSONS, recalled.

*By Mr. Watson:*

Q. Mr. Parsons, although you were excused I think you did not retire from the court room?—A. No, I remained here.

Q. Yes, you remained. So that you have heard the evidence that has been given by Mr. Tremaine?—A. Yes, sir.

Q. May we take it from you that you concur, that you agree with the evidence he has given?—A. Yes, generally I agree.

Q. Generally you agree with that evidence?—A. Some few items may be different but I generally agree with it.

Q. Then are you in a position personally from your knowledge to justify an expenditure upon the steamship *Lady Laurier* to an amount of \$72,316 during the time that has been mentioned?—A. What year, sir?

Q. That is the three fiscal years and a half?—A. Yes. At present I do not see how we could do it better.

Q. You do not see how you could do it better. You mean under difficulties, do you?—A. Well, whatever little difficulties there were.

Q. Whatever little difficulties there were?—A. There are always difficulties in mechanical work.

Q. Yes. In the face of the evidence which has been given,—which I dare say you have been following, if not here, elsewhere—do you recognize now that merchants and dealers and manufacturers, at all events some of them who have performed work and supplied material for the *Lady Laurier* have been getting profits that might be deemed excessive?—A. No, sir, I cannot say that I do.

Q. You do not recognize that?—A. No. Of course, I recognize this, Mr. Watson, that work for the government has for a good while been considered as a piece of work that a little extra could be charged for.

Q. Oh, I see, you have recognized that as agent of the department?—A. I have.

Q. As agent of the department you have recognized that, I see.—A. Sometimes we have had difficulties.

Q. And recognizing that you have acted accordingly and certified the accounts?—A. No. I have endeavoured to get them down to the level that I considered fair and just.

Q. But I thought you said you had recognized that work for the government could be charged, would be charged for at a little extra prices?—A. A little extra, yes.

Q. And should be passed accordingly; that follows, does it not?—A. Yes.

Q. Then it follows that you have not checked accounts and acted for the department of Marine in the same way that you would expect the manager of a business company to act; does that not follow?—A. No, sir.

Q. It does not follow, I see. Well, I am not quite able to follow your answers. You are not able to follow that, I see.

Mr. WATSON.—I do not know there is any need to follow that up, my lord, in the face of that answer.

*By Hon. Mr. Cassels:*

Q. One question. Do you place the responsibility on Mr. Desbarats for the

employment of those extra men in October, 1908?—A. Oh, I would not have done it if Mr. Desbarats had not said so.

Q. Mr. Desbarats is your superior?—A. Yes, he is deputy minister.

Q. He is acting deputy minister. And he authorized that?—A. He came down as such.

Q. So the responsibility as between you and him is on him?—A. I think so.

Mr. WATSON.—In respect to what?

Hon. Mr. CASSELS.—The employment of those extra men in October, 1908.

Mr. WATSON.—Oh, yes. You will excuse me, Mr. Parsons?—A. Certainly.

Hon. Mr. CASSELS.—He certainly would not have done it if Mr. Desbarats had not been there and directed him.

Mr. WATSON.—Yes.

Q. I assume you say that after sufficient consideration?—A. Certainly.

Q. And reflection?—A. Mr. Desbarats came down and took my explanations of the different work that I considered necessary, and I think he agreed with all those.

Now, then, Mr. Parsons, information is given to us that more or less there are five yachts occupying or using the dock harbours and yards: Is that right?—A. Well, I cannot say there were five. There were some motor boats belonging to different persons that brought them into the harbours and had them there.

Q. Was that a matter of personal favour?—A. Oh, no. They asked if they could have their boats tied there for a short time.

Q. Would any citizen of Halifax have the same privilege?—A. I think until it got too much crowded. I think so, yes, any respectable citizen.

Hon. Mr. CASSELS.—Is there any question of moneys of the department being spent on those boats?

Mr. WATSON.—That follows.

Hon. Mr. CASSELS.—Of course, the mooring would not amount to anything.

Mr. WATSON.—Yes. Of course, it follows as a matter of order and in reference to the subject of the evidence that some of these yachts have had attendances and services performed by the employees?—A. Will you say repairs?

Q. Well, I said in the first place services and attendances by the employees. Are you aware of that?—A. No, sir.

Q. Eh?—A. No, sir.

Q. Has that come to your knowledge?—A. No, sir.

Q. Eh?—A. No, it did not.

Q. And that some have repairs and work done by employees?—A. That was not done.

Q. Eh?—A. That was not done.

Q. Not at all?—A. Not at all. I have not known an instance, and I have not neither by my knowledge nor consent nor payment has any work been done by any employee on any one of these outside motor boats or launches or yachts.

Q. At any time?—A. At any time.

Q. That is as far as you know?—A. Yes, sir.

Q. It may have been done without your knowledge?—A. I just said without my knowledge or consent, we did not pay for it.

Q. Of course, you would be paying for it if the men during working hours were working on the yachts, that would be paying for it, or do you think it would?—A. That was not so. I have a timekeeper and he reports to me every month, he runs over the list and tells what each man did.

Q. You rely upon the timekeeper for that?—A. Yes; he is an honest man.

Q. I see. That will do.

Hon. Mr. CASSELS.—Mr. Parsons, have you any questions?

Mr. PARSONS.—If you please.

*By Mr. Parsons:*

Q. When were you appointed to the department?—A. 1894, I think it was August 4.

Q. Your salary at the present time?—A. \$1,600 a year.

Q. When, and the amount of the last increase you received?—A. I think it was in 1896. I only received one increase.

Q. Nothing since then?—A. Nothing since then.

Q. Do you know the salary of the agent at St. John?—A. Well, recently I have seen it in the papers, it was \$2,000. That is all I know.

*By Hon. Mr. Cassels:*

Q. How much?—A. \$2,000.

*By Mr. Parsons:*

Q. And at Quebec?—A. I think the recent one appointed, what I saw in the papers or some one told me, it was \$3,000.

Q. Yours is still \$1,600?

Hon. Mr. CASSELS.—Who was appointed at \$3,000?

Mr. PARSONS.—The agent at Quebec, he thought.

Mr. WATSON.—That is quite a mistake.

WITNESS.—How much is it then?

Mr. PERRON.—\$1,800.

Hon. Mr. CASSELS.—Mr. Gregory was suspended in April.

Mr. PERRON.—He got \$2,000. The new one is getting \$1,800.

*By Mr. Parsons:*

Q. In reference to the extra men employed during the month of October last, you say you went over the dockyard as regards the various works to be done with the Acting Deputy early in October, is that so?—A. Yes, or late in September, I forget which.

Q. And also the Admiralty property?—A. Yes.

Q. When did the department take charge of the dockyard?—A. First of January, 1907.

Q. And the Admiralty property, when did that come under your control?—A. Just about a year ago, November or December, 1907.

Q. You did not have charge of that property then last fall?—A. Well, I had a kind of charge of it.

Q. Supervision?—A. It was all there given over to the Marine and Fisheries, but I did nothing with it. I had one or two of our employees living in a couple of cottages and I told them to keep careful watch over the garden and anything they could.

Q. This work done in October of the present year was all necessary?—A. Oh, yes.

Q. And the deputy considered it so too?—A. Yes. We drove down through the grounds and saw the roads, gutters, and different works.

Q. Did he suggest how many extra men would be required to do this work?—A. What work, up in the Admiralty grounds?

Q. Yes, all the extra work done in October and since?—A. He mentioned at least 75 would be required.

Q. He mentioned at least 75 men would be required?—A. Yes.

Q. Are all those extra men discharged at the present time?—A. No.

Q. Some of them are still working?—A. Yes.

Q. How many?—A. Well, I think there were 80 taken on and I think 40 have been dismissed, discharged rather.

Q. All these men were taken on on the recommendation of Mr. Roche or Mr.

Carney?—A. I think so. Perhaps one or two others, pretty good men that came along, we took.

Q. Not specially recommended by them. Were there any men not recommended by them taken on?—A. Yes, quite a number.

Q. The only intervention or interference on the part of members in connection with this extra work was the recommendation of the men to do it?—A. Yes.

Hon. Mr. CASSELS.—Would not the spring be the better time to clean up? It seems to me the spring is the best time when the snow goes away to clean up this yard.

Mr. PARSONS.—I propose to go into the particulars of what the extra work was so as to explain it better.

Q. What was the extra work to be done?—A. It was pruning some trees, cleaning out gutters, getting ready for the fall rains and fixing the walks that had been allowed for several years to grow up into grass and weeds.

Hon. Mr. CASSELS.—Mr. Parsons, I do hope you will credit me with a little common sense.

Mr. PARSONS.—Yes, my lord.

Hon. Mr. CASSELS.—I only ask you to bear that in mind.

*By Mr. Parsons:*

Q. And the further work?—A. In the Admiralty grounds.

Q. The dockyard?—A. Well, number 4 wharf—we have five wharfs in the dock-yard commencing at the south end, and we found number 4 wharf requiring recovering. Some of the timbers were gone and most of the planking, and I got permission from the department this last—early in the fall, in September or August, that I might do it at an estimated cost of \$1,000. I put men on to cover that, and they just finished the work, I think, last week. That is another piece. Then we had 12 or 15 reels of submarine cable that were several years out of water under open sheds down on No. 1 pier, and those reels had to be drawn up to the north end of the yard, where a couple of tanks were which could be filled with water. The engineer came from Ottawa, Mr. Cote, and represented to me that the cable must be put in that position, to which I said, ‘Yes, of course,’ and we put on men, I think, I hired 21 men to come into that cable work, and when we got up there we found the cable was leaky—

Q. The tank?—A. The tank was leaking, and we had to put men in to make a brick lining and cement, and the men are still engaged in putting the cable into that tank.

Q. Well, all of this work, after being reviewed by the acting deputy, was ordered or recommended to be done this fall?—A. Immediately.

*By Hon. Mr. Cassels:*

Q. Out of the 100 men, Mr. Parsons, how many were gardeners?—A. Out of the hundred?

Q. Yes.—A. I do not think more than three or four.

Q. For the pruning work?—A. Pruning and fixing the drains and gutters.

Q. How many carpenters?—A. Oh, I think there were 12 or 15, perhaps 18 carpenters. There was other work.

*By Mr. Parsons:*

Q. That is only a small part of it?—A. Yes. I will go on and give you the rest if you wish.

Q. Well, briefly. Perhaps we had better have a record of it?—A. Well, a number of buildings required painting according to the opinion of the resident engineer, and the autumn seemed so fine and so promising that he put on, I think, 12 or 15 men, and those buildings were painted. Then down at the south end of the place where there

used to be an old pond we had it filled up with all kinds of rubbish, it was called a dump, and it was very unsightly and not at all advantageous for us to put any more in, and I put some men on there, I think there were 8 or 10 men on there levelling that dump.

Q. In reference to the accounts rendered the department, you have not certified any practically since when?—A. Well, I think since April or March, 1906.

Q. You have not certified any since then?—A. No.

Q. Before then when you certified you satisfied yourself before you certified them, that the bills were correct?—A. I did.

Q. And that the time spent on the work was also correct?—A. I did as far as possible. I took the statements of the experts and the statements of anybody else I could meet and talk with about it who knew.

Q. These accounts for repairs to the steamers have been divided into repairs to the engines and repairs to the hulls. What would the repairs to the engines cover?—A. All the engines and all the machinery.

Q. All the internal machinery?—A. And some external machinery. There is heavy hoisting gear out on the deck. Mr. Schmidt and I had a conversation a few months ago and I asked him especially what he covered. He said he covered all the machinery on the ship.

Q. All the machinery internal and on deck, that is, engines, boilers, fire grates and everything of that nature?—A. Yes.

Q. That extra heavy hoisting gear was placed on the ship and included in these expenditures?—A. Oh, I think it must have been; I do not know.

Q. That was an addition to the ship rather than a repair?—A. Something that had never been on before.

Q. And that was for what?—A. For hoisting heavy weights, our heavy coast buoys.

Q. That is still on the steamer?—A. Yes.

Q. And has been in use ever since it has been placed there, practically?—A. Yes.

Q. Some mention has been made of an account due by you to Messrs. Longard Brothers?—A. Yes, I saw it in the papers.

Q. Some part of it extending over a number of years, several years?—A. Yes, some seven or eight years, I think.

Q. And a considerable proportion of it was incurred quite recently?—A. Yes, last spring.

Q. You have been requested or the accounts from Longard Brothers have been sent you at numerous times?—A. At different times.

Q. Requests for payment have been made to you by them?—A. Yes.

Q. They have also requested notes from you for this?—A. Yes.

Q. On the 10th of last July they requested, shortly after this last work was done, they requested a note for the full amount?—A. Yes.

Mr. WATSON.—That is pretty suggestive. I suppose it is all right to let him give the answers.

Mr. PARSONS.—I do not think my questions are misleading, though.

Mr. WATSON.—They are very direct and leading.

Mr. PARSONS.—Not misleading though.

Mr. WATSON.—That is all right. Go on.

*By Mr. Parsons:*

Q. At that time you did not give a note as requested. Why?—A. No, I did not. Well, I had, I think, four or five notes running in the bank, and looking at it I felt I could not take an additional burden upon myself to give a note, so I had to decline.

Q. Did you state that you would give a note or commence payment as soon as

you possibly could?—A. I told the man that I would make payment as soon as possible—I think that is the word I used, possible.

Q. When you went into the department you were somewhat heavily involved financially?—A. No; I was somewhat in debt, yes.

Q. And still are, to a certain extent?—A. I think I am deeper now than I was then—perhaps not though, I have been trying to pull out.

Hon. Mr. CASSELS.—Is there any necessity to go into your father's financial position.

Mr. PARSONS.—I am not anxious to parade the poverty of the agent, of course.

Hon. Mr. CASSELS.—What difference does it make whether he gave a note or was debt? There is no greater burden assumed by the note.

Mr. PARSONS.—Excepting that my learned friend has endeavoured to assume that this was not to have been paid, that it was to be allowed to slide. I think from Mr. Longard's evidence and the evidence of the agent it is apparent there was no such intention.

Hon. Mr. CASSELS.—I do not think it is any use to go into this.

Mr. PARSONS.—I just wish to show why the account was not paid.

Hon. Mr. CASSELS.—I do not wish to choke you off.

Mr. PARSONS.—No, my lord.

Q. You have every intention still of paying this account?—A. A very strong desire yet.

Q. It had no way any influence on you, directly or indirectly, as to orders going to Messrs. Longard Brothers from the department?—A. No, it had not.

Q. Nor as to the certification of their accounts when presented, when sent in?—A. No, no.

Q. And you have always told them you would pay it when possible?—A. Yes.

Q. Did you at any time request or expect from Messrs. Longard Brothers any favour on account of their position as receiving orders from the department?—A. Never.

Q. Or from any other person?—A. Never.

Q. You never received any?—A. Never.

Q. You never expected it?—A. Never.

*By Mr. Watson:*

Q. Of course, it is just a bare simple fact that during the time you were giving orders to Messrs. Longard Brothers, Mr. Parsons?—A. Yes, sir.

Q. During the time you were giving orders to them for work for the department you were incurring personal liability which was remaining unpaid. That is the long and short of it, is it not?—A. Yes.

Q. I see. There is a question that has arisen during my learned friend's questions asked of you with regard to the accident that happened to the *Lady Laurier* running on a rock some years ago. When was that?—A. I think it was in 1893 or 1894.

Q. 1904, was it not?—A. I think it down at Lockport.

Q. Yes. She ran on a rock that was uncharted?—A. An uncharted rock.

Q. Uncharted, it was not upon the chart?—A. Yes.

Q. And some time before the accident occurred I understand you obtained information that such a rock existed and was not on the chart?—A. Some one, some fisherman mentioned it.

Q. And you did not report it?—A. I beg your pardon, I did.

Q. To whom?—A. I made a memorandum.

Q. Oh, you made a memorandum. But then that memorandum did not get to headquarters, did it?—A. No, sir.

Q. It did not. The memorandum was lost and you forgot about it?—A. Oh, I just made a memorandum and passed it on.

Q. Passed it on to whom?—A. To the top of my desk, and one of the clerks took it out. It was a memorandum to the late Hutchings, superintendent of lights and buoys.

Q. The result was the memorandum did not reach the proper official?—A. I think that is so.

Q. And shortly afterwards the accident happened, and that cost the department some \$30,000?—A. Yes.

Q. That is right, I see?—A. The memorandum was afterwards found.

Q. Yes, the memorandum was afterwards found; it was too late?—A. Too late.

Q. It is like closing the stable door after the horse is stolen, is it not?—A. The rock is charted now.

Q. Now then, do you recollect about the steamer *Help*?—A. Yes.

Q. The steamer *Help*. I see that Inspector Esdale was attached to this department, was he?—A. He belongs to the department yet.

Q. And Inspector Hill?—A. Yes. He was inspector of hulls, that was commercial inspector, inspector of those owned by other people.

Mr. WATSON.—I refer to this, my lord, as I want to put in the file, and I want some identification in order to enable us to put it in.

Q. Now, I see in January, 1906, a letter was written—I have here copies of letters written by the deputy minister to each of these gentlemen, Inspector Hill and Inspector Esdale, instructing them, separately apparently, to thoroughly inspect and report upon the steam barge *Help*, saying further, ‘if you will communicate with Captain Harrison, of Furness, Withy & Co., he will inform you as to her whereabouts. Now I understand that at that time this steam barge *Help* was at Liverpool?—A. She went to Liverpool from here.

Q. And at the time of the inspection she was at Liverpool?—A. Oh, I don’t know, sir.

Q. Well, I observe that is so, at all events from the inspection of one of these gentlemen, and I think the other one, I am not quite sure as to the other one. One of these gentlemen, at all events, went to Liverpool to make the inspection, I think the other one did too, I may be wrong. Do you know whether there were expenses to Liverpool to make their inspections of this steam barge charged against the department?—A. I don’t know.

Q. Were they charged against this office?—A. I think not.

Q. You are not quite sure?—A. No. I did not attend to the accounts then.

Q. That is 1906; you did not attend to the accounts then, so you cannot tell. Then the correspondence, the file from the head office does not show that any report was asked from this branch as to the necessity of having this steam barge here at Halifax until a considerable time after the inspections were made, and that then there was a report from this office through Mr. Tremaine that the steamship was not at all required and should not be purchased. Have you any knowledge of that?—A. No, sir. It was talked of.

Q. It was talked of?—A. Mr. Tremaine spoke to me about it.

Q. And that is the fact, that the steamship was not purchased and was not required?—A. I think so; that agrees with my opinion.

Q. Apparently from the correspondence, which is quite voluminous, these inspections were made at Liverpool. I see, you do not know about the expenses?—A. We did not request Mr.—

Q. You did not request it, no, that is manifest from the correspondence. Now, then, one other matter. There is a large quantity of cable gear that was stored here apparently in 1906, and then sent from here to Dartmouth: Do you know anything about it?—A. Yes, something about it.

Q. And it was sent up there and was lying there for a year or so?—A. Yes.

Q. Then finally it got back here?—A. It was brought back to the dock yards.

Q. And it is here yet?—A. Yes, some of it has been used.

Q. What about it, can you make any explanation about it?—A. It was brought here for submarine—

Q. I just put in the file?—A. For submarine bells; it was anticipated for a plan to put bells, submarine bells along the coast at different places. A quantity of submarine cable was bought and brought here, and we got and put it in the dockyard. Before we got possession of the dockyard we got permission from the Admiralty officer to put it there. It was there until we got our new docks over in Dartmouth, and it was carried over there then; I don't know whether it was all carried over, and then brought back after we moved here.

Q. And apparently useless?—A. Oh, no, it is good cable.

Q. Good cable?—A. Oh, yes; and it has been used.

Q. Have you been buying cable meantime?—A. I think not, sir.

Q. You are not sure?—A. I feel fairly sure we have not bought any of that kind of cable.

Q. I see from the correspondence that after it was sent from here to Dartmouth and while it was out there, there was a suggestion that Messrs. Howell & Co.—I think Messrs. Howell & Co.—should make some improvements and repairs on it to the extent of \$1,000?—A. There was some suggestion like that and I disapproved of it, I did not agree to it.

Q. No, you did not agree to it. And it was said to be useless unless repairs were made?—A. I do not agree to that.

Q. And then the correspondence shows that after the repairs were made if put up at auction it would probably be sold for \$500 or \$600?—A. Less repairs. I did not agree with it and it was not done.

Mr. WATSON.—I have referred to some other correspondence in this file; I therefore put the whole file in.

(Departmental files marked Exhibits 405 and 406 respectively.)

DANIEL J. STEVENS, sworn.

By Mr. Watson:

Q. Mr. Stevens, did you from any source get any information about work that was charged for on the *Aberdeen* for which there did not appear to be returns—the *Aberdeen* was repaired, was it not, at Toronto?—A. I believe so, yes sir.

Q. At the Polson's Iron Works there?—A. Yes, sir.

Q. Did you get any information about a propeller?—A. I heard something about a propeller. I saw nothing of a propeller.

Q. Just tell, if you please, what it was you heard in your position—you are assistant to Mr. Schmidt?—A. Yes, sir.

Q. What was it you heard about the propeller in your position as assistant?—A. Well, I heard that a propeller was charged, but I did not see any propeller.

Q. No propeller there, eh?—A. I did not see it.

Q. And from whom did you hear that the propeller had been charged?—A. From the chief engineer of the boat, Stewart.

Q. Who was he?—A. H. M. Stewart.

Q. H. M. Stewart. You heard from him that a propeller had been charged for but it was not there on the ship. And what did you hear had been charged for it, what amount?—A. Well, I don't know there was any amount. I should imagine a propeller of that kind would be worth, bronze, probably \$800 or \$900.

Q. \$900?—A. Between \$800 and \$1,000.

Q. Between \$800 and \$1,000. And then did you hear anything in the same way about a condenser?—A. Well, this is hearsay, you understand.

Q. I know.

Mr. WATSON.—The reason, my lord, particularly I am asking this is that information having come to us it is manifest there will have to be an inquiry at the Polson's Iron Works, and we want to have the record as complete as we can get it and the best form we can get it beforehand.

Q. Will you be good enough to tell what it was you heard in regard to that condenser?—A. Well, I heard that there was some charges, some repairs made to the condenser.

Q. Yes.—A. And I don't know what repairs were made.

Q. Well, what else did you see, whether there was any appearance of repairs having been made?—A. I have seen the condenser since externally, not internally, and it would be impossible for me, and I think anybody else, to determine whether any repairs and what repairs have been done at this time.

Q. Yes. Then what did you hear?—A. That is what I heard.

Q. Then you heard that repairs had been made—had been charged or had been made?—A. Had been charged for.

Q. Had been charged for?—A. Well, some repairs had been made.

Q. Yes. And in connection with that is the effect of what you heard that improper charges had been made, is that the effect of it?—A. Yes, that is it.

Q. Yes, improper charges had been made. That is, apparently there was not anything to represent the charge, that is the effect of it?—A. Yes.

Q. From whom did you hear that?—A. From the chief engineer.

Q. The same gentleman?—A. The same man.

Q. Is that Mr. Stewart?—A. H. M. Stewart.

Mr. WATSON.—He is out on the *Aberdeen*, I am sorry to say, my lord. I have no doubt the department at Ottawa will arrange for his attendance.

Q. Then you heard about something else I understand, some work that was said to be done to the sides of the ship; what was that?—A. The sides of the ship?

Q. Yes.—A. I heard about the strengthening.

Q. You heard that charges had been made for some things put in the sides?—A. I heard about strengthening internally.

Q. Was there something to indicate that had been done?—A. I don't know. This is all rumours you understand.

Q. I know you were not vouching for the truth of them?—A. No.

Q. We understand that, quite so. And this had been charged for and there was nothing apparently to represent it, is that right?—A. No, not apparent that there was, but not sufficient.

Q. But not sufficient, I see. There was something apparent but not sufficient to represent what you understood the charge was?—A. Yes.

Q. How much do you understand the charge was?—A. I don't know, I have not seen the information.

Q. And that was the same source of information, Mr. Stewart?—A. Yes, sir.

Q. Did you communicate those matters to your chief, Mr. Schmidt?—A. No, sir.

Q. You did not. Did you communicate them to Mr. Tremaine or Mr. Parsons?—A. No, I don't think I communicated it to anybody.

Q. To nobody, I see.—A. Of course, I knew Mr. Schmidt was my superior, and if there was anything in it that he would know about it, but it was a conversation or something of that kind.

Q. I see. Then what about the stokers, what did you hear about the stokers?—A. What did I hear about them?

Q. Yes; or know about them?—A. I know stokers were there, I saw them when they came down from Toronto.

Q. Where?—A. In the boat.

Q. Yes.—A. And I know they are not there now.

Q. You know they are not there now?—A. Well, there has been—I don't know whether I should state this, it might interfere with the business of those people.

Q. The busines of what people?—A. The people who put them in.

Q. Polsons?—A. No, the people who put them in.

Q. Who are the people who put them in?—A. I think the Jones Underfeed Stoker Company, of Toronto; I am not sure.

Q. All right. You think that is what you heard, they put them in. What about it, what is it you heard? They were put in and were unnecessary or what?—A. Well, I know that they were in and I know that afterwards they were found unnecessary, that is, they would not give satisfaction, and they were taken out.

Q. Yes. Are those expensive?—A. I don't know what they cost.

Q. About how much? You are an engineer.—A. Well, I should imagine they should cost—

Q. \$10,000?—A. No, they should not cost that.

Q. How much, \$5,000?—A. No.

Q. How much about?—A. I think about \$2,000 ought to pay for the four stokers and the—

Q. Then, have they been replaced?—A. No, sir.

Q. Not necessary to be there at all, that is the fact?—A. I think so.

Q. That is what you think, in your capacity as engineer you think they were not necessary to be there at all, and as a matter of fact they have been taken out and are not used, I see.

*By Hon. Mr. Cassels:*

Q. What do you call this stoker?—A. It is a machine that sets in front of a furnace and allows the coal to be forced in underneath the fire instead of over the fire.

Q. A new method of feeding the furnace?—A. Yes, my lord.

*By Mr. Watson:*

Q. Any other information of a similar character?—A. No, sir, I don't remember of anything like that.

Q. Is that apparently as far as you know? Speaking as an engineer the course that has been pursued in making repairs is pretty loose?—A. Well, if you come down to any particular case. Of course, I cannot remember everything that has taken place in a number of years.

Q. Can you tell now of any other case?—A. No, sir, I don't think I can.

Q. You don't think you can?—A. I don't know of any at present.

Q. That will do.

W. A. BLACK, recalled.

Q. Have you got the book?—A. That is the book (producing).

Q. Thank you?—A. I will give you the folio.

Q. What is the book?—A. Advance and cash book. All entries go in there.

Q. Will you be kind enough to refer me to the entry?

Hon. Mr. CASSELS.—One moment. Mr. Stevens, I want to ask you a question.

Mr. WATSON.—Would your lordship ask it now?

Hon. Mr. CASSELS.—Yes. Mr. Stevens, I understand you have been working as assistant to Mr. Schmidt?

Mr. STEVENS.—Yes, sir.

Hon. Mr. CASSELS.—Have you ever received any gratuity during the time you have worked with him?

Mr. STEVENS.—No, sir.

Hon. Mr. CASSELS.—Of any kind?

Mr. STEVENS.—No, sir.

Hon. Mr. CASSELS.—Such as those mentioned by Mr. Schmidt?

Mr. STEVENS.—No, sir. ,

Hon. Mr. CASSELS.—Nothing at all?

Mr. STEVENS.—No, sir.

Hon. Mr. CASSELS.—Thank you. That will do.

*By Mr. Watson:*

Q. Then Mr. Black, where is the item here?—A. (Indicating.) That is the only item that appears in that book.

Mr. WATSON.—Then, my lord, at page 420 of book called local A. B. an entry appears for June 7, 1906, as follows:—‘Overtime crew *Lady Laurier* \$550.’ Mr. Black says that is the only entry.

Hon. Mr. CASSELS.—Does it give the number of hours?

Mr. WATSON.—No, my lord. We find that later in another way.

WITNESS.—I think the adjustment book will show the number of hours.

Q. Let me see the adjustment book?—A. You have it here.

*By Hon. Mr. Cassels:*

Q. The adjustment book shows the number of hours?—A. I think so.

*By Mr. Watson:*

Q. Where is the entry of the other sum of \$400?—A. If you will show me the adjustment I will show it to you, sir.

Q. Do you mean this book?—A. The second slip there, I think it is \$349, the *Lady Laurier*.\*

Q. Wait, please. This is in regard to the *Hestia*?—A. Yes, sir.

Q. Page 106. This says ‘supplied to *Lady Laurier* to replace stores used and destroyed while towing and assisting at Shelburne.’ This was also paid?—A. Rope, hawsers, that sort of thing.

Q. To replace stores used and destroyed while towing and assisting at Shelburne?—A. She injured her hawsers and we felt—

Q. That payment was made to whom, to Captain Johnston?—A. No; Crowell Brothers from whom we bought the hawsers put on board the *Lady Laurier* to replace those destroyed.

Q. The Department never got that?—A. The ship got it.

Q. The Captain got it?—A. No; the ship got it, it was hawsers.

*By Hon. Mr. Cassels:*

Q. Is that money paid or material?—A. Material supplied for which we paid, sir.

Q. It did not go in the shape of money?—A. No; material. We paid for material to Crowell Brothers, dealers in Halifax.

By Mr. Watson:

Q. Now, that \$400 is represented in this adjustment book. Where did they get it in London to enter it here? That must have been taken from some entry in your books?—A. A copy of this (indicating.)

Q. This is not here. What we have here is—A. There it is, \$500.

Q. Yes; but that is a mere entry there of 'overtime crew *Lady Laurier*'?—A. That is a copy of the voucher that accompanied the accounts when they went.

Q. I want to know if you have any entry of that in any book?—A. None other.

Q. This entry reads not quite the same, but fuller: '\$550, coast guard steamer *Lady Laurier*, overtime of crew, 24 men on board *Hestia* steamer 14th May to 24th May, 2,200 hours at 25 cents an hour.' That is the time she was coming from Shelburne to Halifax is it?—A. No, no. While she was lying ashore in Shelburne and while they were trying to get the ship so they might—

Q. Have you personal knowledge?—A. No.

Q. So you cannot speak of your own personal knowledge what it was for, what it was about?—A. No.

Q. Then the other entry, the one to which reference was made this morning, I think, at page 190, that is '200 pounds'—Captain of *Lady Laurier* is the heading of it—'gratuity to captain and officers of that steamer for their services to the *Hestia* and her cargo, £200.' What date is that, please; is there any date opposite that?—A. A. We know nothing about that sir, we did not pay the money.

Q. I am not asking you about that. Can you fix any date on that page—what is that, 28/7/10, that is right, 28th of what?—A. July.

Q. What is the year?—A. 1906.

Q. 1906, I see. 28th July, 1906, that is for the £200. Then there is a final balance here on the last page, and at the end of that is this note—what date is that, do you find a date there?—A. That adjustment was made up in the autumn of the year.

Q. The autumn of that year, 1906?—A. Probably October or November, November probably.

Q. October of that year, 1906. The note is: 'A claim for salvage has been made by the owners of the *Lady Laurier* and negotiations are pending in connection therewith. There may be a further claim for general salvage on this account.'

That is the entry that has been made there, my lord. And then when the claim was made, I think you said this morning when the claim was made by the department, you, on behalf of your principals, declined to entertain it?—A. We did, yes sir. We felt having—

Q. Having taken the position that the whole matter had been settled and that at the time of the payment to the captain it was understood there would be no further claims made: The correspondence shows that?—A. We did not anticipate any further claims.

Q. Well, the correspondence shows?—A. The position.

Q. That was your answer?—A. Yes.

Q. That will do, sir.

HENRY O'TOOLE, sworn.

By Mr. Perron:

Q. Do you want to give evidence now?—A. I beg your pardon?

Q. Do you think you can give evidence now?—A. Yes, sir, I will answer any questions you want to ask me.

Q. I do not think it is worth while.

Mr. WATSON.—We are informed, my lord, that Mr. O'Toole perhaps had better not attempt to give evidence just now.

Hon. Mr. CASSELS.—All right, Mr. O'Toole.

WITNESS.—I beg your pardon. Any questions I will answer you want me to.

Mr. WATSON.—Whatever your lordship says about it.

Mr. PERRON.—It is as your lordship says.

Hon. Mr. CASSELS.—What is his evidence about?

Mr. WATSON.—He is the representative of Mr. McPherson, he is in the employment of Mr. McPherson.

*By Mr. Perron:*

Q. You are in the employment if Mr. McPherson, are you?—A. Yes sir, I am foreman of Mr. McPherson.

Q. He is out of town at present?—A. I think he is, sure, yes

Q. He has been away for sometime on business?—A. He has that, sure.

Q. You are his foreman?—A. I am his foreman, yes, sir.

Q. You have not got the books?—A. No, I have nothing to do with the books.

Q. That is all right. That will do.

Mr. WATSON.—My lord, it will be necessary to have Mr. McPherson attend, and we will communicate and arrange for his attendance at a later time at Ottawa.

While I am mentioning that, my lord, I would also mention now particularly with regard to the transactions between Longard Brothers and the department; in regard to that matter my learned friend and I think it will be quite necessary to have the evidence of Mr. Hines. Mr. Longard has already stated that he would see to it that Mr. Hines should attend before your lordship at the sittings at Ottawa. I just want to say further, for ourselves as counsel, that it will be necessary we think that Mr. Wilson should be in attendance at the same time that Mr. Hines is attending and that it is necessary therefore that his examination should stand over to be concluded at the same time that Mr. Hines' evidence is taken on his return. I make that as an explanation to your lordship for not at the present time proceeding further with that account.

GEORGE E. BOAK, sworn.

*By Mr. Perron :*

Q. You have already been called to-day, Mr. Boak?—A. Yes.

Q. And did not respond?—A. Well, I was called a few days ago but I was in New York. I did not get the subpoena until Tuesday, and I have been in court since.

Q. All right. Now, Mr. Boak, you are in the coal business?—A. Yes, sir.

Q. In Halifax. We see that you have been dealing extensively with the department?—A. Yes, sir, that is right.

Q. Over \$20,000 in the course of three years?—A. More than that I should think.

Q. More than that. About how much?—A. Oh, in three years?

Q. 1904-5, 1905-6, 1906-7?—A. Perhaps \$20,000 would cover it.

Q. \$20,000. Well now, did you have contracts for this immense quantity of coal?—A. I had no written contract.

Q. No written contract?—A. No.

Q. Where did you supply this coal?—A. Some at Louisburg and some at Halifax.

Q. For the ships?—A. Yes, for the ships, bunker coal.

Q. Where at Louisburg?—A. Some of the steamers. It just depends on what ground they were. If they wanted coal at Louisburg they would go there or if in Halifax they would get it here.

Q. You say you had no written contract for this immense supply of coal?—A. No.

Q. Did you tender?—A. I have supplied coal since 1897.

Q. Yes. But in 1897 did you supply the coal after tender had been asked for?—A. No, there was no tender asked for. I felt that when the change of government came, being in the trade, that I would expect to get the supply of coal, and I started in supplying coal at the same rate that my predecessor had.

Q. At the same rate that your predecessor had. Who was your predecessor?—A. Mr. A. B. Crosbie; and my bills were turned down.

Q. And your bills were turned down?—A. As the price was excessive. I went to Ottawa, and the best arrangement I could make was that I was to supply coal at the mine's price, which I did.

Q. At the mine's price?—A. I have.

Q. Have you got your books to justify that?—A. Yes. It is a remarkable statement, it is true.

Q. Yes, it is a rather remarkable statement. We will have to go into it.—A. (Witness produces books.)

Q. Now, you have stated to me that you have been getting less since 1897 than what was paid before for the coal?—A. That is right.

Q. Now, let us find that out.

*By Mr. Watson:*

Q. Than what was paid to you before that time?—A. No, it could not be paid to me, because I was not supplying.

*By Mr. Perron:*

Q. That was paid to Mr. Crosbie?—A. Yes.

Q. Have you got your invoices?—A. Yes, sir. I will show you the books. (Opens up invoice books.)

Q. Well, how did you come to know what price was paid to Mr. Crosbie before?—A. Well, I got it first, I think, out of the Public Accounts Report; the Auditor General's Report, I think.

Q. The invoice for the mine, is it?—A. Yes. There is one entry, December 27, 1905.

Q. What are you showing me?—A. This is for some coal supplied to the steamship *Canada* at Halifax, 44 tons at \$4.25, \$187. That was on December 27.

Q. Are those invoices showing the prices that were charged to you by the mine?—A. This is the mine's invoice.

Q. \$4.25?—A. Yes.

Q. Let me see how you charged the department for that?—A. (Turning up book.) *Canada*, \$187.

Q. You had paid how much?—A. \$187.

Q. Your transactions are not all the same, I hope for you?—A. I might explain that at the end of every month the Dominion Coal Company gives a trade commission of ten cents a ton.

Q. That is all you made?—A. On all my sales to the department.

Q. That is all right.

*By Mr. Watson:*

Q. How much did you give out of that?—A. Sometimes I would have to wait for six months for the money. Instead of six per cent that would leave me one cent a ton profit.

Q. Whom did you give that to?—A. I am afraid there was not much chance of distribution there.

Mr. WATSON.—Then, my lord, having regard to the information and particulars which have been afforded to your lordship in the evidence, particularly of Mr. Parsons and Mr. Tremaine, with regard to the course pursued from time to time, the character of the transactions and the relations that have been shown to exist, along with the other evidence which we have already offered to your lordship, subject to your lordship's opinion, my learned friend and I are of the view that it would not advance the work of the Commission materially to take up time by offering the evidence of further witnesses. If your lordship therefore pleases, we would respectfully propose to you that there should now be an adjournment, with the next meeting at Ottawa.

Hon. Mr. CASSELS.—What date do you suggest, Mr. Watson?

Mr. WATSON.—We are not able just now, my lord, to mention quite accurately the date. But if it meets your lordship's convenience we would like to have the meeting some day during the week after next, probably about Tuesday of the week after next. We will have to have the attendance in Ottawa of those gentlemen here we have referred to, and it is possible, in view of matters that have come to our knowledge, but which we have not actual details about, that we may have to ask that two or three others here may attend before your lordship at Ottawa. That is the present position.

Hon. Mr. CASSELS.—You will let me know at the earliest moment?

Mr. WATSON.—Yes.

Mr. MELLISH.—Will your lordship allow me, on behalf of Captain Johnston, to make a statement as to what I conceive to be the law governing his rights in regard to salvage services either by handing in a memorandum to the registrar or—

Hon. Mr. CASSELS.—Yes. I understand you are appearing for Captain Johnston.

Mr. MELLISH.—Yes, my lord.

Hon. Mr. CASSELS.—I would be very glad if you would hand in a memorandum. That would be quite convenient. There may be other evidence given in Ottawa affecting your client.

Mr. MELLISH.—I just wish to preserve his right.

Hon. Mr. CASSELS.—Anything you wish to say I shall be glad to hear, but other evidence necessarily must come out in Ottawa affecting Captain Johnston. You can either be in Ottawa or get information of it in the public papers.

Mr. MELLISH.—That seems to be satisfactory so long as the investigation is not closed.

Mr. WATSON.—We will let you have notice when the sittings are resumed in Ottawa.

Hon. Mr. CASSELS.—You want to hand in a memorandum in reference to salvage?

Mr. MELLISH.—Yes.

Hon. Mr. CASSELS.—Well, let us have it before Christmas.

Mr. MELLISH.—Yes.

Mr. PARSONS.—I can reserve the same right on behalf of the agent, if I deem it necessary, my lord.

Hon. Mr. CASSELS.—I shall be glad to have anything you deem essential. I would rather have it in writing, but if you choose to come to Ottawa I could hear you personally. Anything you wish to say in argument you can put forward.

Mr. PARSONS.—If we consider it necessary only.

Hon. Mr. CASSELS.—Yes. I will not wait if I get through this evidence.

Mr. PARSONS.—Just so.

Hon. Mr. CASSELS.—Then we had better adjourn with the next meeting in Ottawa.

(Adjourned at 4.15 p.m. accordingly.)





